



MAYOR & COUNCIL COMMUNICATION

DATE: 8/16/2016

REGULAR

ITEM # ____

AGENDA ITEM: Hammes Estates Developer's Agreement

SUBMITTED BY: Stephen Wensman, Planning Director

THROUGH: Kristina Handt, City Administrator

REVIEWED BY: Jack Griffin, City Engineer
Sarah Sonsala, City Attorney

RECOMMENDATION: Staff is recommending that the City Council approve a developer's agreement associated with the Hammes Estates residential development. The agreement has been drafted based on a draft developer agreement template that Staff has been updating for future approval by the Council.

DEVELOPER AGREEMENT TEMPLATE UPDATE: The City Council adopted a new Developer Agreement Template in January 2016, which improved upon the way in which the Developer Security was released. Since that update, Staff has continued to update the template based on reasonable requests by developers and Staff generated refinements with the intent of having a template that addresses various development scenarios and best practices. Staff had intended to bring the draft template forward for Council approval concurrently with this Agreement, however, Staff would like to conduct further research and potential include additional updates prior to approval. This Developer Agreement is similar to the January 2016 template, but differs as follows:

1. This Agreement allows phasing of the construction activities for the purpose of receiving building permits within the phase of a plat provided that the Developer receives City staff approval for the construction phasing plan prior to the preconstruction meeting and the phasing plan is incorporated into the final approved construction plans. This will allow the Developer to plat a larger development area, but phase construction in a manner that allows building permits to be issued at preapproved stages of the development, yet in such a way that City staff can manage the development process effectively and efficiently.
2. The Agreement separates the security release for Landscaping from others. Landscaping is among the last of improvements in a development, and with a two year warranty, has been holding up larger security releases.

3. Section 20, Landscaping and Tree Replacement Improvements, was added to strengthen and clarify the landscaping requirements and responsibility.
4. Title policy, rather than title commitment, shall be required for land dedicated to the City at the request of the City Attorney.
5. Section 28, Subd. D was added to ensure permanent or temporary street signs are installed by the developer prior to building permits for public safety purposes.

These changes to the template have been reviewed by the City Engineer, the Planning Director and City Attorney.

LEGISLATIVE HISTORY/STAFF REPORT: The Hammes Estates Final Plat was approved on October 7, 2014 and extended to October 31, 2016. A new developer has purchase the property with the intent to develop it accordance with City approvals. On October 7, 2014, the City Council had approved a developers agreement for the Hammes Estates, but because of the lapsed time and because a new developer has taken over the project, Staff has updated the developer agreement consistent with the conditions of approval for the Hammes Estates Final Plat, development issues, and based on the January 2016 Developer Agreement Template with the changes outlined above. The key aspects of the agreement include the following components:

- All phases of the development must be final platted by December 31, 2019.
- All required public improvements must be completed by October 31, 2017, with the exception of the final wear course of asphalt on streets.
- A provisions has been added to Section 15, Construction Sequence and Compliance to ensure the drainage and erosion control work needed to remedy the repeated flooding on adjacent properties is properly addressed.
- Consistent with the previously approved developer agreement, the developer will pay a cash contribution of \$107, 554 to satisfy park dedication which will be held in escrow until the Goose Lake Park improvements are installed.
- The developer will provide a letter of credit in the amount of \$3,169,766 related to the cost of the proposed improvements which including a boardwalk, and wetland mitigations and restoration.
- That the developer provide a cash deposit of \$502,140 for SAC and WAC charges, park dedication (to be put in escrow), engineering administration, one year of street light operating costs, and other City fees.
- Consistent with the previous approved Developer Agreement, a special provision was protects the 100 foot greenbelt/buffer around Stonegate.
- Section 29, City Payments, provides for City payment to the developer for utility oversizing in the amount of \$25,573.

FISCAL IMPACT: Direct Payments to Developer – \$25,573 for oversizing of utilities. Goose Lake Park Improvements will be paid for and installed by the developer in lieu of park dedication. The City will receive 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), monthly lease payments for street lights, and other public financial responsibilities typically associated with a new development. The City will collect building permit fees, Sewer Accessibility Charges and Water Accessibility Charges for the 57 lot subdivision.

SUMMARY AND ACTION REQUESTED: The City Council is being asked to authorize execution of a developer's agreement for the Hammes Estates residential development. The attached agreement was based on the approved development agreement template, since amended as outlined above, with all changes specific to the Hammes Estates project. This agreement must be executed and conditions complied with before any construction activity, outside of the previously authorized grading work, may proceed on the site. No work on the site will occur until the preliminary plat plans are updated and approved, the conditions of final plat are complied with and the plat is recording with Washington County. The recommended motion to take action on the request is as follows:

“Move to adopt Resolution 2016-__ approving the developer’s agreement for Hammes Estates”

ATTACHMENTS:

1. Resolution 2016-__
2. Hammes Estates Developer’s Agreement