



## **STAFF REPORT**

DATE: July 6, 2021

**CONSENT**

:

**TO:** Mayor and City Council  
**FROM:** Ken Roberts, Planning Director  
**AGENDA ITEM:** **Royal Golf Club at Lake Elmo 1<sup>st</sup> and 2<sup>nd</sup> Additions - Development Agreement Amendments**  
**REVIEWED BY:** Sarah Sonsalla, City Attorney

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### **INTRODUCTION:**

The Developer of Royal Golf Club of Lake Elmo and City staff are proposing amendments to the Development Agreements for Royal Golf First Addition and Royal Golf Second Addition. The proposed amendments are primary regarding when the Developer will need to make the \$1,000,000 cash contribution to the City.

### **BACKGROUND:**

On June 6, 2017, the Lake Elmo City Council adopted Resolution 2017-47 approving the Preliminary Plat and PUD Plans for the Royal Golf Club at Lake Elmo.

On September 5, 2017, the Lake Elmo City Council adopted Resolution No. 2017-093 approving the final plat for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition.

On September 19, 2017, the Lake Elmo City Council adopted Resolution No. 2017-096 approving the Development Agreement for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition.

On March 20, 2018, the Lake Elmo City Council adopted Resolution No. 2018-028 approving a First Amendment to the Development Agreement for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition.

On June 19, 2018, the Lake Elmo City Council adopted Resolution 2018-062 approving the final plat for Royal Golf Club at Lake Elmo Second Addition.

On June 19, 2018, the Lake Elmo City Council adopted Resolution No. 2018-064 approving the Development Agreement for Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition.

On December 4, 2018, the City Council approved the Final Plat and Final PUD plans for the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition.

### **ISSUE BEFORE THE CITY COUNCIL:**

The City Council is being asked to adopt Resolution 2021 – 076 and Resolution 2021 – 077 approving amendments to the Developer Agreements for Royal Golf Club at Lake Elmo First and Second Additions.

## **REVIEW/ANALYSIS:**

### **Amendment to Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition (First Amendment to Development Agreement)**

The City and Royal Development, Inc. entered into a Development Agreement for Royal Golf 2<sup>nd</sup> Addition in 2018. The City and Royal Golf have been in discussions about the timing of the \$1,000,000 cash donation the Developer is to make to the City. The Developer was to make the donation at the time of the recording of the plat for the 3<sup>rd</sup> Addition or upon approval by the City of that phase of the development where the Tartan Park ballfields were no longer able to be used by the City, whichever happens first. Royal Development is in the process of selling the 3<sup>rd</sup> Addition property to Lennar. As part of that conveyance, the plat needs to be recorded. Royal Development has agreed to make the cash donation either before the City issues any building permits for the 3<sup>rd</sup> Addition OR all or a portion of the 3<sup>rd</sup> Addition is conveyed by Royal Development to another developer, whichever comes first. This means that assuming that Royal Development closes on the sale of the 3<sup>rd</sup> Addition property to Lennar, the donation will be made to the City at that time. If for some reason that does not happen and Royal Development retains the property, it will have until when it needs the City to issue building permits to make the donation to the City.

### **Amendment to Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition (Second Amendment to Development Agreement)**

The same change is being made to the Royal Golf Club 1<sup>st</sup> Addition Development Agreement that is being made to the 2<sup>nd</sup> Addition Development Agreement with respect to the timing of the payment of the cash donation. In addition, language is being added to the Development Agreement that requires Royal Development to pay the City a cash contribution of \$75,000 for the future maintenance costs of all three lift stations (\$25,000/each) that will be serving the subdivision and future phases. Royal Development has already paid the City \$50,000 of the contribution that was due at the time of the signing of the final plat for the 1<sup>st</sup> Addition. The remaining \$25,000 is due prior to the City signing the final plat for the 3<sup>rd</sup> Addition. Royal Development also is responsible for constructing the lift stations and the costs of construction.

## **OPTIONS:**

The City Council has the following options:

- 1) Adopt Resolutions 2021-076 and 2021 -077 approving the amendments to the Development Agreements for Royal Golf Club at Lake Elmo 1<sup>st</sup> and 2<sup>nd</sup> Additions; or
- 2) Direct Staff to amend the draft Development Agreement amendments to bring back to a future City Council meeting.

**RECOMMENDATION:**

Staff recommends the City Council adopt Resolutions 2021-076 and Resolution 2021-077 approving the amendments to Development Agreements for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition and 2<sup>nd</sup> Addition.

***“Move to adopt Resolution 2021-076 and Resolution 2021-077 approving the amendments to the development agreements for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition and 2<sup>nd</sup> Addition.”***

**ATTACHMENTS:**

- Royal Golf Club at Lake Elmo First Addition Development Agreement Second Amendment
- Resolution 2021 - 076
- Royal Golf Club at Lake Elmo Second Addition Development Agreement First Amendment
- Resolution 2021 - 077

**CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2021 - 076**

*A RESOLUTION APPROVING SECOND AMENDMENT TO DEVELOPMENT AGREEMENT  
FOR ROYAL GOLF CLUB AT LAKE ELMO 1<sup>ST</sup> ADDITION*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Royal Development Inc., 11074 Radisson Road NE, Blaine, MN 55449 (the “Applicant”) has previously submitted an application to the City of Lake Elmo (the “City”) for a final plat for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition; and

**WHEREAS**, the Lake Elmo City Council adopted Resolution No. 2017-093 on September 5, 2017 approving the final plat for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition; and

**WHEREAS**, the Lake Elmo City Council adopted Resolution No. 2017-096 on September 19, 2017, approving the Development Agreement for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition; and

**WHEREAS**, the Lake Elmo City Council adopted Resolution No. 2018-028 on March 20, 2018, approving a First Amendment to the Development Agreement for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition; and

**WHEREAS**, the Applicant and City have agreed to amend Section 28 (G) of the approved Development Agreement so the Developer may make the required \$1,000,000 cash donation to the City Parks fund either before the City issues any building permits for the 3<sup>rd</sup> Addition OR all or a portion of the 3<sup>rd</sup> Addition is conveyed by Royal Development to another developer, whichever comes first; and

**WHEREAS**, the Applicant and the City also have agree to amend Section 28 (H) of the approved Development Agreement regarding the Developer’s payment to the City of a cash contribution of \$75,000 for the future maintenance costs of all three lift stations (\$25,000/each) that will be serving the Subdivision and its subsequent phases; and

**WHEREAS**, the Section 28 (H) Agreement required the Developer to make a cash contribution to the City of \$50,000 for the first two phases prior to the City signing the final plat for the Subdivision; and

**WHEREAS**, the proposed Amendment to Section 28 (H) will require the Developer to pay the City the remaining \$25,000 cash contribution for the third lift station prior to the City signing the final plat for the third phase of the development and the Developer also shall be responsible for constructing the lift stations and the costs of construction.

**NOW, THEREFORE**, based on the information received, the City Council of the City of Lake Elmo does hereby approve the Second Amendment to Development Agreement for Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition and authorizes the Mayor and City Clerk to execute the agreement.

Passed and duly adopted this 6<sup>th</sup> day of July 2021 by the City Council of the City of Lake Elmo, Minnesota.

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Charles Cadenhead, Mayor

ATTEST:

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Julie Johnson, City Clerk

**CITY OF LAKE ELMO  
WASHINGTON COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. 2021 - 077**

*A RESOLUTION APPROVING FIRST AMENDMENT TO DEVELOPMENT AGREEMENT FOR  
ROYAL GOLF CLUB AT LAKE ELMO 2<sup>ND</sup> ADDITION*

**WHEREAS**, the City of Lake Elmo is a municipal corporation organized and existing under the laws of the State of Minnesota; and

**WHEREAS**, Royal Development Inc., 11074 Radisson Road NE, Blaine, MN 55449 (the “Applicant”) has previously submitted an application to the City of Lake Elmo (the “City”) for a final plat for Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition; and

**WHEREAS**, the Lake Elmo City Council adopted Resolution No. 2018-062 on June 19, 2018 approving the final plat for Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition; and

**WHEREAS**, the Lake Elmo City Council adopted Resolution No. 2018-064 on June 19, 2018, approving the Development Agreement for Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition; and

**WHEREAS**, the Applicant and City have agreed to amend Section 28 (F) of the approved Development Agreement so the Developer may make the required \$1,000,000 cash donation to the City Parks fund either before the City issues any building permits for the 3<sup>rd</sup> Addition OR all or a portion of the 3<sup>rd</sup> Addition is conveyed by Royal Development to another developer, whichever comes first; and

**NOW, THEREFORE**, based on the information received, the City Council of the City of Lake Elmo does hereby approve the First Amendment to Development Agreement for Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition and authorizes the Mayor and City Clerk to execute the agreement.

Passed and duly adopted this 6<sup>th</sup> day of July 2021 by the City Council of the City of Lake Elmo, Minnesota.

\_\_\_\_\_  
Charles Cadenhead, Mayor

ATTEST:

\_\_\_\_\_  
Julie Johnson, City Clerk

## **SECOND AMENDMENT TO DEVELOPMENT AGREEMENT**

This Second Amendment to Development Agreement (“Second Amendment”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Lake Elmo, a municipal corporation under the laws of Minnesota (the “City”) and Royal Development, Inc., a Minnesota corporation (the “Developer”).

### **RECITALS:**

A. The City and the Developer have entered into a Development Agreement dated August 31, 2017 and recorded with Washington County on September 19, 2017 as Document No. 4129865 (the “Development Agreement”);

B. The Development Agreement relates to that subdivision located in Lake Elmo, Minnesota known as Royal Golf Club at Lake Elmo 1<sup>st</sup> Addition and the property is legally described on Exhibit 1 attached hereto;

C. The City and the Developer entered into that certain First Amendment to Development Agreement dated \_\_\_\_\_, 2018 and recorded with Washington County on \_\_\_\_\_, 2018 as Document No. \_\_\_\_\_ (the “First Amendment”);

D. The City and the Developer have agreed to amend the Development Agreement and the First Amendment;

NOW, THEREFORE, in consideration of the above recitals, which are expressly incorporated herein, and for other good and valuable consideration, the receipt and sufficiency which is hereby acknowledged, the City and the Developer agree to amend the Development Agreement as follows:

1. Section 28 (G) of the Development Agreement shall be changed to read as follows:

- (G) The Developer shall make a \$1,000,000 cash donation to the City Parks fund before any building permits are issued by the City for the third phase of the development or all or a portion of the property within the third phase of the development is conveyed by the Developer to another developer, whichever occurs first.

2. Section 28 (H) of the Development Agreement shall be changed to read as follows:

- (H) The Developer shall pay the City a cash contribution of \$75,000 for the future maintenance costs of all three lift stations (\$25,000/each) that will be serving the Subdivision and its subsequent phases. A cash contribution of \$50,000 for the first two phases shall be paid by the Developer prior to the City signing the final plat for the Subdivision. The Developer shall pay the City the remaining \$25,000 cash contribution for the third lift station prior to the City signing the final plat for the third phase of the development. The Developer shall also be responsible for constructing the lift stations and the costs of construction.

3. All other terms and conditions of the Development Agreement and the First Amendment shall remain in full force and effect.



IN WITNESS WHEREOF, the City and the Developer have executed this Second Amendment to the Development Agreement as of the date first written above.

CITY OF LAKE ELMO

By: \_\_\_\_\_  
Charles Cadenhead, Mayor

By: \_\_\_\_\_  
Julie Johnson, City Clerk

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF WASHINGTON        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Charles Cadenhead and Julie Johnson, the Mayor and the City Clerk, respectively of the City of Lake Elmo, a Minnesota municipal corporation, on behalf of the City.

\_\_\_\_\_  
Notary Public

ROYAL DEVELOPMENT, INC.

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, the \_\_\_\_\_ of Royal Development, Inc., a Minnesota corporation, on behalf of the corporation.

\_\_\_\_\_  
Notary Public

This document was drafted by:

Kennedy & Graven, Chartered (SJS)

150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

## **EXHIBIT 1**

### **Legal Description of the Property**

Lots 1 and 2, Block 1, Lots 1 through 15, Block 2, Lots 1 through 12, Block 3, Lots 1 through 5, Block 4, Lots 1 through 15, Block 5, Lots 1 through 26, Block 6, Outlots A through T, all in the recorded plat of The Royal Golf Club at Lake Elmo, County of Washington, State of Minnesota.

## **FIRST AMENDMENT TO DEVELOPMENT AGREEMENT**

This First Amendment to Development Agreement (“First Amendment”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, by and between the City of Lake Elmo, a municipal corporation under the laws of Minnesota (the “City”) and Royal Development, Inc., a Minnesota corporation (the “Developer”).

### **RECITALS:**

A. The City and the Developer have entered into a Development Agreement dated July 26, 2018 and recorded with Washington County on September 3, 2018 as Document No. 4163573 (the “Development Agreement”);

B. The Development Agreement relates to that subdivision located in Lake Elmo, Minnesota known as Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition and the property is legally described on Exhibit 1 attached hereto;

C. The City and the Developer have agreed to amend the Development Agreement;

NOW, THEREFORE, in consideration of the above recitals, which are expressly incorporated herein, and for other good and valuable consideration, the receipt and sufficiency which is hereby acknowledged, the City and the Developer agree to amend the Development Agreement as follows:

1. Section 28 (F) of the Development Agreement shall be changed to read as follows:

(G) The Developer shall make a \$1,000,000 cash donation to the City Parks fund before any building permits are issued by the City for the third phase of the development or all or a portion of the property within the third phase

of the development is conveyed by the Developer to another developer, whichever occurs first.

2. All other terms and conditions of the Development Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the City and the Developer have executed this First Amendment to the Development Agreement as of the date first written above.

CITY OF LAKE ELMO

By: \_\_\_\_\_  
Charles Cadenhead, Mayor

By: \_\_\_\_\_  
Julie Johnson, City Clerk

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF WASHINGTON        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2021, by Charles Cadenhead and Julie Johnson, the Mayor and the City Clerk, respectively of the City of Lake Elmo, a Minnesota municipal corporation, on behalf of the City.

\_\_\_\_\_  
Notary Public

By: \_\_\_\_\_

Its: \_\_\_\_\_

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2021, by \_\_\_\_\_, the \_\_\_\_\_ of Royal Development, Inc., a Minnesota corporation, on behalf of the corporation.

This document was drafted by:

150 South 5<sup>th</sup> Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

## **EXHIBIT 1**

### **Legal Description of the Property**

All lots and outlots located within the plat of The Royal Golf Club at Lake Elmo 2<sup>nd</sup> Addition, according to the recorded plat thereof, County of Washington, State of Minnesota.