



MAYOR & COUNCIL COMMUNICATION

DATE: **October 7, 2014**
REGULAR
ITEM # **15**

AGENDA ITEM: Hammes Estates Residential Subdivision – Developer’s Agreement

SUBMITTED BY: Nick M. Johnson, City Planner

THROUGH: Dean Zuleger, City Administrator

REVIEWED BY: Jack Griffin, City Engineer
 Dave Snyder, City Attorney
 Kyle Klatt, Community Development 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 Hammes Estates residential development. The agreement has been drafted based on a model agreement previously reviewed by the Council and the agreement that was executed for other residential subdivisions.

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, watermain and other public infrastructure, maintenance of storm water ponding areas (after three years), maintenance of the landscaping in public areas, monthly lease payments for street lights (estimated at \$41.64 for 6 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 Hammes Estates final plat. The attached agreement has been previously reviewed by the City Attorney and City Engineer, and all recommend changes specific to the Hammes Estates 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 verified by the City Engineer, which can occur prior to the execution of the agreement by City officials. 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 2014-82, approving the developer’s agreement for Hammes Estates 1st Addition.”

LEGISLATIVE HISTORY/STAFF REPORT: One of the conditions included as part of the Planning Commission recommendation to the Council concerning the Hammes Estates 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 Hammes Estates 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. While the cost estimates provided by the developer must be verified by the City Engineer, the estimates provided to date indicate that the letter of credit will be roughly \$2,880,829.56 for the Hammes Estates 1st Addition project.
- That the developer provide a cash deposit of \$501,478.68 for SAC and WAC charges, engineering administration, one year of street light operating costs, park land dedication fee, and other City fees. It should be noted that the applicant is proposing substantial improvements to Goose Lake Park, including a fishing pier, picnic shelter, parking area and other improvements. Staff would recommend that the applicant receive a credit for these improvements from the submitted parkland dedication fee once the improvements are completed.

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.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS:

Strengths: The developer’s agreement has been drafted to guarantee that the improvements associated with Hammes Estates 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 Hammes Estates 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 Hammes Estates 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 2014-82, approving the developer’s agreement for the Hammes Estates”

ATTACHMENTS:

1. Resolution 2014-82
2. Hammes Estates Developer's Agreement – Final Draft