



MAYOR & COUNCIL COMMUNICATION

DATE: **October 7, 2014**
REGULAR
ITEM # **16**

AGENDA ITEM: Hunters Crossing 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 Hunters Crossing residential development. The agreement has been drafted based on a model agreement 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, watermain and other public infrastructure, maintenance of storm water ponding areas (after three years), monthly lease payments for street light, 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 for the first phase of the Hunters Crossing residential development. The attached agreement has been 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. 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 2014-83 approving the developer’s agreement for Hunters Crossing”

LEGISLATIVE HISTORY/STAFF REPORT: One of the conditions attached to the Council’s approval of the Hunters Crossing Final Plat specified 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 \$\$1,004,402 related to the cost of the proposed improvements. This amount may be adjusted higher based on a request from Staff to provide additional details in this section of the agreement and as noted in the agreement.
- That the developer provide a cash deposit of \$269,550 for SAC and WAC charges, engineering administration, one year of street light operating costs, the required fee in lieu of park land dedication, and other City fees, and. Staff still needs to determine the appropriate park dedication fees (to be determined based on an appraisal of the property) and street light fees. These amounts will be incorporated into the agreement when they are provided and will raise the amount current listed in the agreement.
- Ryland has previously agreed to pay the water availability charge for the entire development up front as part of an agreement with the City concerning the Lake Elmo Avenue Water Main project.

The proposed project does not include any specific City payments for utility oversizing or other reasons. Please note that Staff is still waiting to obtain an estimated fair market value related to the developer’s fee in lieu of park land dedication (for the equivalent of 2.31 acres). This amount will need to be included in the agreement and will increase the cash payments required by the developer, and will be adjusted to take into account the dedication of public trails within the development.

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 Hunters Crossing plans will be 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 Final Plat.

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

Opportunities: The proposed improvements will provide for infrastructure connections to adjacent properties.

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 Hunters Crossing and that the Council direct the Mayor and Staff to execute this document. The suggested motion to adopt the Staff recommendation is as follows:

“Move to adopt Resolution 2014-83 approving the developer's agreement for Hunters Crossing”

ATTACHMENTS:

1. Resolution 2014-83
2. Hunters Crossing Developer's Agreement – Final Draft