



MAYOR & COUNCIL COMMUNICATION

DATE: May 5, 2015
REGULAR
ITEM # 6

AGENDA ITEM: Hunters Crossing 2nd Addition 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
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 Hunters Crossing 2nd Addition residential development. The agreement has been drafted based on a model agreement previously reviewed by the Council.

FISCAL IMPACT: Direct Payments to Developer – The agreement identifies a water main oversizing payment of \$27,513.00 to the developer. 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 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 for the second phase of the Hunters Crossing residential development. The attached agreement has been reviewed by City Staff and all recommend changes specific to the Hunters Crossing 2nd Addition 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 No. 2015-33 approving the developer’s agreement for Hunters Crossing 2nd Addition”

LEGISLATIVE HISTORY/STAFF REPORT: One of the conditions attached to the Council’s approval of the Hunters Crossing 2nd Addition 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 Hunters Crossing 2nd Addition development. The key aspects of the agreement include the following components:

- That all improvements to be completed by June 30, 2016.
- That the developer provide a letter of credit in the amount of \$1,619,768 related to the cost of the proposed improvements. The City Engineer will be reviewing the developer’s cost estimates to ensure that they are accurate.
- That the developer provide a cash deposit of \$171,581 for SAC charges, engineering administration, one year of street light operating costs, the remainder of the fee in lieu of park land dedication for Hunters Crossing, and other City fees. Please note that the developer paid WAC charges for the entire preliminary plat area with the first phase agreement, therefore the current agreement includes no additional WAC fees.
- The developer’s agreement includes a City payment of \$27,513.00 associated with oversizing of water main within the development.

The construction plans for Hunters Crossing 2nd Addition include a complete design for 5th Street adjacent to the development, but at this time the developer’s phasing plan indicates that only the southern half will be completed with the other project improvements. Lennar Corporation, which has submitted a sketch plan for the property north of Hunters Crossing, has agreed to work together with Ryland to construct all portions of 5th Street between the two developments as one project. In either case, the construction plans will reflect the overall design for the road and will ultimately be completed as a whole when a project moves forward on the Diedrich/Rieder property.

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 2nd Addition 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.

The construction plans include the construction of 5th Street, which will be completed with the other public improvements within Hunters Crossing.

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 2nd Addition 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 No. 2015-33 approving the developer's agreement for Hunters Crossing 2nd Addition”

ATTACHMENTS:

1. Resolution No. 2015-33
2. Hunters Crossing 2nd Addition Developer's Agreement – Final Draft