



MAYOR & COUNCIL COMMUNICATION

DATE: June 9, 2015
REGULAR
ITEM # 16

AGENDA ITEM: Eastern Village Trunk Sewer and Watermain 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 Eastern Village Trunk Sewer and Watermain project. This project was originally planned to be completed as part of the Easton Village phase one improvements; however, the developers that will be benefitting from this project have asked that the City enter into a separate agreement for just the trunk infrastructure portion of that project. The Council will also be asked to amend the Easton Village developers agreement accordingly.

FISCAL IMPACT: Direct Payments to Developer – None. The proposed infrastructure is needed to serve the three approved residential developments within the Village. This project will also allow connections to be made to the 30th Street lift station from the 39th Street sewer main and a large number of planned connections as part of the Lake Elmo Avenue project.

SUMMARY AND ACTION REQUESTED: The City Council is being asked to authorize execution of a developer's agreement for a project to install trunk sewer and watermain facilities from the 30th Street lift station to the southern edge of the railroad right-of-way line within the southern portion of the Village Planning Area. This trunk infrastructure will connect to the line previously constructed by the City within the 39th Street right-of-way and that was extended to the

railroad right-of-way in the northern part of the Village. The developer of Easton Village was originally planning to complete this specific work as part of his project, but has now requested that this work be separated out from the other infrastructure within Easton Village. This separation will allow the three developers that need the sewer connection to be completed to serve their projects (Easton Village, Village Preserve, and Wildflower at Lake Elmo) to coordinate work on the trunk infrastructure project. A separate agreement will also allow this work to commence in advance of the three projects receiving final plan approval from the City.

The recommended motion to take action on the request is as follows:

“Move to adopt Resolution No. 2015-52 approving the developer’s agreement for the Eastern Village Trunk Sewer Project”

LEGISLATIVE HISTORY/STAFF REPORT: The attached developers agreement has been drafted by Staff by using the Easton Village agreement as a model and taking out any language for improvements other than sewer and water lines. Because this agreement is not tied to a specific development project, any references to building or homes, platting of lots, or other similar provisions have also been removed. Please note that Tom Wolter of Easton Village, LLC has requested that the developer for the trunk sewer line project be named as Chase Development, Inc., and will also be asking that Chase be listed as the developer for the Easton Village project as well. Although the Council previously agreed to assign the Easton Village project to the Excelsior Group, the two private parties were not able to come to a final agreement to execute a sale of this development.

The key components of the attached agreement include the following components:

- That all improvements to be completed by September 15, 2015. Staff is recommending a completion date that will give the City time to step in case the developer is unable to finish work by this date. The proposed project is a critical component of the Village sewer infrastructure, and failure to complete this line will lead to delays in hooking up residents and business owners in the Stage 1 Lake Elmo Avenue project area and the 39th Street project area.
- That the developer provide a letter of credit in the amount of \$784,280 related to the cost of the proposed improvements.
- That the developer provide a cash deposit of \$20,000 for engineering review and administration of the project.

The proposed project does not include any specific City payments for utility oversizing or other reasons. The City Engineer has approved the final construction plans for the project, the executed agreement will allow work to commence on the southern sewer line.

BACKGROUND INFORMATION (SWOT):

Strengths: Splitting the trunk sewer project from the larger Easton Village project will allow this work to commence sooner.

The completion of the trunk sewer line is a critical component of the overall infrastructure needed to serve the Village.

Weaknesses: The developer must complete work on the project by a certain date, and if this work does not commence soon there could be delays in connecting individual homes and businesses to the sewer line.

Opportunities: The three residential developers within the Village have agreed to cooperate to build the trunk sewer line. Chase Development, Inc. will be the entity responsible for coordinating the involvement of all other parties.

Threats: Failure to execute the agreement in a timely manner could lead to delays in connecting individuals to the trunk sewer line.

RECOMMENDATION: Based on the above Staff report, Staff is recommending that the City Council approve the Developer's Agreement for the Easton Village Trunk Sewer and Watermain Project 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. 2015-52 approving the developer’s agreement for the Eastern Village Trunk Sewer Project”

ATTACHMENTS:

1. Resolution No. 2015-52
2. Eastern Village Trunk Sewer and Watermain Developers Agreement – Final Draft