



MAYOR & COUNCIL COMMUNICATION

DATE: April 5, 2016

CONSENT

ITEM # 9

AGENDA ITEM: Savona 4th Developer's Agreement

SUBMITTED BY: Stephen Wensman, Planning Director

THROUGH: Kristina Handt, City Administrator

REVIEWED BY: Jack Griffin, City Engineer
Sarah Sonsala, City Attorney

SUGGESTED ORDER OF BUSINESS (if removed from the Consent Agenda):

- Introduction of Item Community Development Director
- Report/Presentation.....Community Development Director
- Questions from Council to StaffMayor Facilitates
- Call for Motion..... Mayor & City Council
- Discussion Mayor & City Council
- Action on Motion.....Mayor Facilitates

POLICY RECOMENDER: Staff is recommending that the City Council approve a developer's agreement associated with the Savona 4th residential development. The agreement has been drafted based on a model agreement previously reviewed by the Council in January 2016.

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 warranty period), maintenance of the 5th Street boulevard landscaping (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 Savona 4th residential development. The attached agreement has been reviewed by the City Attorney and City Engineer, and all recommend changes

specific to the Savona 4th project have been incorporated into the document as drafted. This agreement must be executed and conditions complied with before any construction activity, outside of the previously authorized grading work, may proceed on the site. No work on the site will occur until the conditions of final plat are complied with and the plat is recording with Washington County. The recommended motion to take action on the request is as follows:

“Move to adopt Resolution 2016-__²⁰ approving the developer’s agreement for Savona 4th Addition”

LEGISLATIVE HISTORY/STAFF REPORT: One of the conditions attached to the Council’s approval of the Savona 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 modified and presented in January 2016, which is attached for consideration by the City Council. The key aspects of the agreement include the following components:

- That all improvements to be completed by September, 2017.
- That the developer provide a letter of credit in the amount of \$4,080,974 related to the cost of the proposed improvements.
- That the developer provide a cash deposit of \$522,764 for SAC and WAC charges, engineering administration, one year of street light operating costs, and other City fees.

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 and the conditions of Final Plat are complied with.

BACKGROUND INFORMATION (SWOT):

Strengths: The developer’s agreement has been drafted to guarantee that the improvements associated with Savona 4th plans will installed in accordance with City specifications.

Execution of the developer’s agreement and compliance with all conditions in the agreement and the Final Plat approval will allow the developer to record the Savona 4th Final Plat.

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

Opportunities: The proposed improvements include the construction of the final segment of the 5th Street parkway within 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 Savona 4th 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 2016-20 approving the developer's agreement for Savona 4th Addition”

ATTACHMENTS:

1. Resolution 2016-20
2. Savona 4th Developer's Agreement – Final Draft

RESOLUTION NO. 2016-20

A RESOLUTION APPROVING THE DEVELOPER'S AGREEMENT FOR SAVONA 4TH ADDITION

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

WHEREAS, U.S. Home Corporation (d/b/a Lennar), 16305 36th Avenue North, Suite 600, Plymouth, MN ("Applicant") has previously submitted an application to the City of Lake Elmo ("City") for a Final Plat for Savona 4th Addition; and

WHEREAS, the Lake Elmo City Council considered and approved the Preliminary Plat request for Savona at a meeting held on August 6, 2013; and

WHEREAS, The Lake Elmo City Council adopted Resolution No. 2016-16 on March 15, 2016 approving the Final Plat for Savona 4th Addition; and

WHEREAS, Condition (4) of said Resolution No. 2016-16 establishes that, prior to the execution of the Final Plat by City officials, the Applicant is to enter into a Developer's Agreement with the City; and

WHEREAS, the Applicant and City have agreed to enter into such a contract, and a copy of the Developer's Agreement was submitted to the City Council for consideration at its March 15, 2016 meeting.

NOW, THEREFORE, based on the information received, the City Council of the City of Lake Elmo does hereby approve the Developer's Agreement for Savona 4th Addition and authorizes the Mayor and City Clerk to execute the document.

Passed and duly adopted this 5th day of April 2016 by the City Council of the City of Lake Elmo, Minnesota.

Mike Pearson, Mayor

ATTEST:

Julie Johnson, City Clerk

(reserved for recording information)

DEVELOPMENT CONTRACT

(Public sewer and water)

Savona 4th Addition

AGREEMENT dated _____, 2016, by and between the **CITY OF LAKE ELMO** a Minnesota municipal corporation ("City"), and U.S. Home Corporation, d/b/a Lennar (the "Developer").

1. REQUEST FOR PLAT APPROVAL. The Developer has asked the City to approve a plat for Savona 4th Addition (referred to in this Contract as the "plat"). The land is situated in the County of Washington, State of Minnesota, and legally described in Exhibit "A".

2. CONDITIONS OF PLAT APPROVAL. The City hereby approves the plat on condition that the Developer enter into this Contract, furnish the security required by it, and record the plat with the County Recorder or Registrar of Titles within (180) days after the City Council approves the final plat.

3. RIGHT TO PROCEED. Unless separate written approval has been given by the City, within the plat or land to be platted, the Developer may not grade or otherwise disturb the earth, remove trees, construct sewer lines, water lines, streets, utilities, public or private improvements, or any buildings until all the following conditions have been satisfied: 1) this agreement has been fully executed by both

parties and filed with the City Clerk, 2) the necessary security has been received by the City, 3) the plat has been recorded with the Washington County Recorder's Office, and 4) the City's Planning Director has issued a letter that all conditions have been satisfied, a preconstruction conference has been held, and that the Developer may proceed.

4. PHASED DEVELOPMENT. If the plat is a phase of a multi-phased preliminary plat, the City may refuse to approve final plats of subsequent phases if the Developer has breached this Contract and the breach has not been remedied. Development of subsequent phases may not proceed until Development Contracts for such phases are approved by the City. Park charges and availability charges for sewer and water referred to in this Contract are not being imposed on outlots, if any, in the plat that are designated in an approved preliminary plat for future subdivision into lots and blocks. Such charges will be calculated and imposed when the outlots are final platted into lots and blocks.

5. PRELIMINARY PLAT STATUS. If the plat is a phase of a multi-phased preliminary plat, the preliminary plat approval for all phases not final platted shall lapse and be void unless final platted into lots and blocks, not outlots, within two (2) years after preliminary plat approval.

6. CHANGES IN OFFICIAL CONTROLS. For two (2) years from the date of this Contract, no amendments to the City's Comprehensive Plan or official controls shall apply to or affect the use, development density, lot size, lot layout or dedications of the approved final plat unless required by state or federal law or agreed to in writing by the City and the Developer. Thereafter, notwithstanding anything in this Contract to the contrary, to the full extent permitted by state law, the City may require compliance with any amendments to the City's Comprehensive Plan, official controls, platting or dedication requirements enacted after the date of this Contract.

7. DEVELOPMENT PLANS. The plat shall be developed in accordance with the following plans and at the Developer's sole expense. The plans shall not be attached to this Contract. If the plans vary from the written terms of this Contract, the written terms shall control. The plans are:

Plan A - Plat

Plan B - Final Grading, Drainage, and Erosion Control Plan

Plan C - Tree Preservation and Reforestation Plan
Plan D - Plans and Specifications for Public Improvements
Plan E - Street Lighting Plan
Plan F - Landscape Plan

8. IMPROVEMENTS. The Developer shall install and pay for the following:

- A. Streets
- B. Sanitary Sewer
- C. Watermain
- D. Surface Water Facilities (pipe, ponds, rain gardens, etc.)
- E. Grading and Erosion Control
- F. Sidewalks/Trails
- G. Street Lighting
- H. Underground Utilities
- I. Street Signs and Traffic Control Signs
- J. Landscaping
- K. Tree Preservation and Reforestation
- L. Wetland Mitigation and Buffers
- M. Monuments Required by Minnesota Statutes
- N. Miscellaneous Facilities

The improvements shall be installed in accordance with the City subdivision ordinance and the City's Engineering Design and Construction Standards Manual and pursuant to the direction of the City Engineer. The Developer shall submit plans and specifications which have been prepared by a competent registered professional engineer to the City for approval by the City Engineer. The Developer shall instruct its engineer to provide adequate field inspection personnel to assure an acceptable level of quality control to the extent that the Developer's engineer will be able to certify that the construction work meets the approved City standards as a condition of City acceptance. In addition, the City may, at the City's discretion and at the Developer's expense, have one or more City inspectors and a soil engineer inspect the work on a full or part-time basis. The Developer's engineer shall provide for on-site project management. The Developer's engineer is responsible for design changes and contract administration between the Developer

and the Developer's contractor. The Developer or his engineer shall schedule a pre-construction meeting at a mutually agreeable time at the City Hall with all parties concerned, including the City staff, to review the program for the construction work.

All labor and work shall be done and performed in the best and most workmanlike manner and in strict conformance with the approved plans and specifications. No deviations from the approved plans and specifications will be permitted unless approved in writing by the City Engineer. The Developer agrees to furnish to the City a list of contractors being considered for retention by the Developer for the performance of the work required by the Contract. The Developer shall not do any work or furnish any materials not covered by the plans and specifications and special conditions of this Contract, for which reimbursement is expected from the City, unless such work is first ordered in writing by the City Engineer as provided in the specifications.

9. CITY ENGINEERING ADMINISTRATION AND CONSTRUCTION

OBSERVATION. At the time of Final Plat, the Developer shall submit an escrow for City Engineering Administration and Construction Observation in an amount provided under paragraph 33. Summary of Cash Requirements. Thereafter, the Developer shall reimburse the City each month, within 30 days of receiving an invoice, for all engineering administration and construction observation performed during the construction of the plat. After 30 days of the invoice, the City may draw upon the escrow and stop the work on site until said escrow has been replenished in its full amount. City engineering administration will include monitoring of construction progress and construction observation, consultation with Developer and his engineer on status or problems regarding the project, coordination for testing, final inspection and acceptance, project monitoring during the warranty period, and processing of requests for reduction in security. Construction observation may be performed by the City's in-house staff or consulting engineer. Construction observation shall include, at the discretion of the city, part or full time inspection of proposed public utilities and street construction. Services will be billed on an hourly basis.

The direction and review provided through the inspection of the improvements should not be considered a substitute for the Developer required management of the development. Developer will cause the contractor(s) to furnish the City with a schedule of proposed operations at least five (5) days prior to the commencement of construction of each type of Improvement. City shall inspect all Developer Installed Improvements during and after construction for compliance with approved plans and specifications. Developer will notify the City Engineer at such times during construction as the City Engineer requires for inspection purposes. Such inspection is pursuant to the City's governmental authority, and no agency or joint venture relationship between the City and Developer is thereby created.

10. CONTRACTORS/SUBCONTRACTORS. City Council members, City employees, and City Planning Commission members, and corporations, partnerships, and other entities in which such individuals have greater than a 25% ownership interest or in which they are an officer or director may not act as contractors or subcontractors for the public improvements identified in Paragraph 8 above.

11. PERMITS. The Developer shall obtain or require its contractors and subcontractors to obtain all necessary permits, including but not limited to:

- A. Right-of-Way Excavations and Obstructions:
 - City of Lake Elmo, Right-of-Way Utility Installation(s)
 - City of Lake Elmo, Right-of-Way Obstruction(s)
 - Washington County, Utility Installations(s)
 - Washington County, Street or Driveway Access(s)
 - Minnesota Department of Transportation, Utility Installation
 - Minnesota Department of Transportation, Right-of-Way Permit
- B. Watermain Extensions:
 - Minnesota Department of Health
- C. Sanitary Sewer Extensions:
 - Minnesota Pollution Control Agency
 - Metropolitan Council Environmental Services
- D. Stormwater Management:
 - Valley Branch, Brown's Creek and South Washington Watershed District Permit
- E. Erosion, Sedimentation Control:
 - Minnesota Pollution Control Agency, General NPDES Stormwater Permit
 - SWPPP (Stormwater Pollution Prevention Plan)

- F. Wetland Mitigation:
 - Board of Water and Soil Resources, WCA
- G. Construction Dewatering:
 - Minnesota Department of Natural Resources

12. TIME OF PERFORMANCE. The Developer shall install all required public improvements by September, 2017, with the exception of the final wear course of asphalt on streets. The Developer shall install the bituminous wearing course of streets after the first course has weathered a winter season, consistent with warranty requirements, however final acceptance of the improvements will not be granted until all work is completed including the final wear course. The Developer may, however, request an extension of time from the City. If an extension is granted, it shall be conditioned upon updating the security posted by the Developer to reflect cost increases and amending this agreement to reflect the extended completion date. Final wear course placement outside of this time frame must have the written approval of the City Engineer.

13. LICENSE. The Developer hereby grants the City, its agents, employees, officers and contractors a license to enter the plat to perform all work and inspections deemed appropriate by the City in conjunction with plat development.

14. CONSTRUCTION ACCESS. Construction traffic access and egress for grading, public utility construction, and street construction is restricted to access the subdivision via 5th Street N. No construction traffic is permitted on other adjacent local streets.

15. CONSTRUCTION SEQUENCE AND COMPLIANCE. The City will require the developer to construct the improvements in a sequence which will allow progress and compliance points to be measured and evaluated. The Developer and/or their representatives are required to supervise and coordinate all construction activities for all improvements and must notify the City in writing stating when the work is ready for the inspection at each of the measurable points defined in the following paragraphs 16, 17 and 18.

16. EROSION CONTROL. Prior to initiating site grading, the erosion control plan, Plan B, shall be implemented by the Developer and inspected and approved by the City. Erosion control practices

must comply with the approved plans and specifications for the plat, with all watershed district permits and with Minnesota Pollution Control Agency's Best Management Practices. The City may impose additional erosion control requirements as deemed necessary. The parties recognize that time is of the essence in controlling erosion. If the Developer does not comply with the erosion control plan and schedule or supplementary instructions received from the City, the City may take such action as it deems appropriate to control erosion. The City will endeavor to notify the Developer in advance of any proposed action, but failure of the City to do so will not affect the Developer's and City's rights or obligations hereunder. If the Developer does not reimburse the City for any cost the City incurred for such work within ten (10) days, the City may draw down the security to pay any costs. No development, utility or street construction will be allowed and no building permits will be issued unless the plat is in full compliance with the approved erosion control plan.

If building permits are issued prior to the acceptance of public improvements, the developer assumes all responsibility for erosion control compliance throughout the plat and the City may take such action as allowed by this agreement against the Developer for any noncompliant issue as stated above. Erosion control plans for individual lots will be required in accordance with the City's building permit requirements, or as required by the City or City Engineer.

17. GRADING PLAN. The plat shall be graded in accordance with the approved grading drainage and erosion control plan, Plan "B". The plan shall conform to the Engineering Design and Construction Standards Manual. All grading shall be completed within the Subdivision prior to the preparation and submittal of the as-constructed grading plan.

A. Within thirty (30) days after completion of the grading, the Developer shall provide the City with a "record" grading plan certified by a registered land surveyor or engineer that all ponds, swales, and ditches have been constructed on public easements or land owned by the City. The "record" plan shall contain site grades and field verified elevations of the following: a) cross sections of ponds; b) location and elevations along all swales, emergency overflows, wetlands, wetland mitigation areas if any, ditches, locations and dimensions of borrow areas/stockpiles; c) lot corner elevations and house pads; and d) top

and bottom of retaining walls.

B. The City will not issue any building permits until the approved certified record grading plan is on file with the City.

18. STREET AND UTILITY IMPROVEMENTS. All storm sewers, sanitary sewers, watermain, and streets shall be installed in accordance with the approved Plans and Specifications for Public Improvements, Plan "D". The plan shall conform to the City's Engineering Design and Construction Standards Manual. Curb and gutter and the first lift of the bituminous streets, sidewalks, boulevards graded, street signs installed, and all restoration work on the site shall be completed in accordance with the approved plans. Once the work is completed, the developer or its representative shall submit a written request to the City asking for an inspection of the initial improvements. The City will then schedule a walk-through to create a punch list of outstanding items to be completed. Upon receipt of the written punch list provided by the City, the punch list items must be completed by the Developer and the City notified to re-inspect the improvements. The final bituminous wear course shall be installed in accordance with paragraph 12 above.

19. STREET MAINTENANCE DURING CONSTRUCTION. The Developer shall be responsible for all street maintenance until the streets are accepted by the City. Warning signs shall be placed when hazards develop in streets to prevent the public from traveling on same and to direct attention to detours. If and when streets become impassable, such streets shall be barricaded and closed. In the event residences are occupied prior to completing streets, the Developer shall maintain a smooth surface and provide proper surface drainage to insure that the streets are passable to traffic and emergency vehicles. The Developer shall be responsible for keeping streets within and without the subdivision clean of dirt and debris that may spill, track, or wash onto the street from Developer's operation. The Developer may request, in writing, that the City keep the streets open during the winter months by plowing snow from the streets prior to final acceptance of said streets. The City shall not be responsible for repairing the streets because of snow plowing operations. Providing snow plowing service does not constitute final acceptance of the streets by the City. The Developer shall contract for street cleaning within and immediately adjacent to the development. At a

minimum, scraping and sweeping shall take place on a weekly basis. A copy of this contract shall be approved by the City before grading is started. The contract shall provide that the City may direct the contractor to clean the streets and the contractor will bill the Developer.

20. OWNERSHIP OF IMPROVEMENTS. Upon completion of the work and construction required by this Contract, the improvements lying within public easements shall become City property. Prior to acceptance of the improvements by the City, the Developer must furnish the City with a complete set of reproducible "record" plans, an electronic file of the "record" plans in accordance with the City's Engineering Design and Construction Standards Manual together with the following affidavits:

- Developer/Developer Engineer's Certificate
- Land Surveyor's Certificate

certifying that all construction has been completed in accordance with the terms of this Contract. All necessary forms will be furnished by the City. Upon receipt of "record plans" and affidavits, and upon review and verification by the City Engineer, the City Engineer will accept the completed public improvements.

21. PARK DEDICATION. The Developer has satisfied park dedication requirements for all the areas to be platted within the Savona Preliminary Plat as part of the Savona Development Contract. No additional park dedication is required for the plat.

22. SANITARY SEWER AND WATER UTILITY AVAILABILITY CHARGES (SAC AND WAC). The Developer shall be responsible for the payment of all sewer availability charges (SAC) and all water availability charges (WAC) with respect to the Improvements required by the City and any state or metropolitan government agency.

The sewer availability charge (SAC) in the amount of \$3,000.00 per REU shall be paid by the Developer prior to the City recording the final plat. The total amount to be paid by the Developer is \$234,000.00.

The water availability charge (WAC) in the amount of \$3,000.00 per REU shall be paid by the Developer prior to the City recording the final plat. The total amount to be paid by the Developer is

\$234,000.00.

In addition, a sewer connection charge in the amount of \$1,000.00 per REU, a Met Council sewer availability charge in the amount of \$2,485.00 per REU, and a water connection charge in the amount of \$1,000.00 per REU will be collected by the City at the time the building permit is issued for each lot.

23. TRAFFIC CONTROL SIGNS. Traffic control signs shall be included as part of the public street improvements and the installation costs shall be included in the street construction calculations.

24. STREET LIGHTS. The Developer is responsible for the cost of street light installation consistent with a street lighting plan approved by the City. Before the City signs the final plat, the Developer shall post a security for street light installation consistent with the approved plan. The required security is \$84,000 and consist of fourteen (14) decorative lights at \$6,000 each. The Developer shall also pay \$1,554 in payment of the first year operating costs for street lights.

25. WETLAND MITIGATION. The Developer shall complete wetland mitigation/restoration in accordance with the approved Plans and Specifications and in accordance with any applicable Watershed or agency Permits. If the mitigation work is found to be incomplete or restoration is unsuccessful the City may draw down the security at any time during the warranty period if the Developer fails to take corrective measures to be used by the City to perform the work.

26. BUILDING PERMITS/CERTIFICATES OF OCCUPANCY.

A. Public sewer and water, curbing, and one lift of asphalt shall be installed on all public and private streets prior to issuance of any building permits, except one model home on a lot acceptable to the Planning Director.

B. Prior to issuance of building permits, wetland buffer monuments shall be placed in accordance with the City's zoning ordinance. The monument design shall be approved by the Planning Department.

C. Written certification of the as-constructed grading must be on file at the City for the block where the building is to be located.

D. Breach of the terms of this Contract by the Developer, including nonpayment of billings from the City, shall be grounds for denial of building permits and/or withholding of other permits, inspection or actions, including lots sold to third parties, and the halting of all work in the plat.

E. If building permits are issued prior to the acceptance of public improvements, the Developer assumes all liability and costs resulting in delays in completion of public improvements and damage to public improvements caused by the City, Developer, their contractors, subcontractors, materialmen, employees, agents, or third parties.

F. No sewer and water connection permits may be issued until the streets needed for access have been paved with a bituminous surface and the utilities are tested and approved by the City Engineer.

G. The City will not issue a certificate of occupancy for any building constructed on any lot or parcel in the Plat until Public sewer and water, curbing, and one lift of asphalt is installed on all public and private streets; all utilities are tested and approved by the City Engineer; and the as-constructed grading must be on file at the City for the block where the building is to be located. This requirement does not allow for the development to be phased for some lots.

27. RESPONSIBILITY FOR COSTS.

A. In the event that the City receives claims from labor, materialmen, or others that work required by this Contract has been performed, the sums due them have not been paid, and the laborers, materialmen, or others are seeking payment from the City, the Developer hereby authorizes the City to commence an Interpleader action pursuant to Rule 22, Minnesota Rules of Civil Procedure for the District Courts, to draw upon the letters of credit in an amount up to 125 percent of the claim(s) and deposit the funds in compliance with the Rule, and upon such deposit, the Developer shall release, discharge, and dismiss the City from any further proceedings as it pertains to the letters of credit deposited with the District Court, except that the Court shall retain jurisdiction to determine attorneys' fees pursuant to this Contract.

B. Except as otherwise specified herein, the Developer shall pay all costs incurred by it or the City in conjunction with the development of the plat, including but not limited to legal, planning,

engineering and inspection expenses incurred in connection with approval and acceptance of the plat, the preparation of this Contract, review of construction plans and documents, and all costs and expenses incurred by the City in monitoring and inspecting development of the plat. All amounts incurred and due at the time, must be fully paid prior to execution and release of the final plat for recording.

C. The Developer shall hold the City and its officers, employees, and agents harmless from claims made by itself and third parties for damages sustained or costs incurred resulting from plat approval and development. The Developer shall indemnify the City and its officers, employees, and agents for all costs, damages, or expenses which the City may pay or incur in consequence of such claims, including attorneys' fees.

D. The Developer shall reimburse the City for costs incurred in the enforcement of this Contract, including reasonable engineering and attorneys' fees.

E. The Developer shall pay, or cause to be paid when due, and in any event before any penalty is attached, all special assessments referred to in this Contract. This is a personal obligation of the Developer and shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.

F. The Developer shall pay in full all bills submitted to it by the City for obligations incurred under this Contract within thirty (30) days after receipt. Bills not paid within thirty (30) days shall be assessed a late fee per the City of Lake Elmo adopted Fee Schedule. Upon request, the City will provide copies of detailed invoices of the work performed.

28. SPECIAL PROVISIONS. The following special provisions shall apply to plat development:

A. Implementation of the recommendations listed in the February 15, 2016 Engineering memorandum.

B. Before the City signs the final plat, the Developer shall convey Outlots A, B, C and D, Savona 4th Addition to the City by warranty deed, free and clear of any and all encumbrances.

C. The Developer must obtain a sign permit from the City Building Official prior to

installation of any subdivision identification signs.

D. The Developer shall comply with the 3 items identified in the City's Landscape Architect's review memorandum dated February 10, 2016.

E. The Developer shall incorporate a 3-year maintenance plan for commonly held HOA and City outlots and rights-of-ways into the HOA covenants and a Landscape and Irrigation License Agreement.

F. The Developer shall enter into a a Landscape and Irrigation License Agreement with the City for the maintenance of commonly held HOA and City outlots and rights-of-ways prior to recording the Final Plat.

29. MISCELLANEOUS.

A. The Developer may not assign this Contract without the written permission of the City Council. The Developer's obligation hereunder shall continue in full force and effect even if the Developer sells one or more lots, the entire plat, or any part of it.

B. Retaining walls that require a building permit shall be constructed in accordance with plans and specifications prepared by a structural or geotechnical engineer licensed by the State of Minnesota. Following construction, a certification signed by the design engineer shall be filed with the City Engineer evidencing that the retaining wall was constructed in accordance with the approved plans and specifications. All retaining walls identified on the development plans or by special conditions referred to in this Contract shall be constructed before any other building permit is issued for a lot on which a retaining wall is required to be built.

C. Appropriate legal documents regarding Homeowner Association documents, covenants and restrictions, as approved by the City Attorney, shall be filed with the final plat. No third-party beneficiary is hereby conferred.

D. Developer shall take out and maintain or cause to be taken out and maintained until six (6) months after the City has accepted the public improvements, public liability and property damage insurance covering personal injury, including death, and claims for property damage which may arise out of

Developer's work or the work of its subcontractors or by one directly or indirectly employed by any of them. Limits for bodily injury and death shall be not less than \$500,000 for one person and \$1,000,000 for each occurrence; limits for property damage shall be not less than \$200,000 for each occurrence; or a combination single limit policy of \$1,000,000 or more. The City shall be named as an additional insured on the policy, and the Developer shall file with the City a certificate evidencing coverage prior to the City signing the plat. The certificate shall provide that the City must be given thirty (30) days advance written notice of the cancellation of the insurance.

E. Third parties shall have no recourse against the City under this Contract.

F. If any portion, section, subsection, sentence, clause, paragraph, or phrase of this Contract is for any reason held invalid, such decision shall not affect the validity of the remaining portion of this Contract.

G. The action or inaction of the City shall not constitute a waiver or amendment to the provisions of this Contract. To be binding, amendments or waivers shall be in writing, signed by the parties and approved by written resolution of the City Council. The City's failure to promptly take legal action to enforce this Contract shall not be a waiver or release.

H. This Contract shall run with the land and may be recorded against the title to the property. The Developer covenants with the City, its successors and assigns, that the Developer has fee title to the property being final platted and/or has obtained consents to this Contract, in the form attached hereto, from all parties who have an interest in the property; that there are no unrecorded interests in the property being final platted; and that the Developer will indemnify and hold the City harmless for any breach of the foregoing covenants.

I. Each right, power or remedy herein conferred upon the City is cumulative and in addition to every other right, power or remedy, express or implied, now or hereafter arising, available to City, at law or in equity, or under any other agreement, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the City and shall not be a waiver of the right to exercise at any time thereafter any other right, power or remedy.

J. The Developer represents to the City that the plat complies with all city, county, metropolitan, state, and federal laws and regulations, including but not limited to: subdivision ordinances, zoning ordinances, and environmental regulations. If the City determines that the plat does not comply, the City may, at its option, refuse to allow construction or development work in the plat until the Developer does comply. Upon the City's demand, the Developer shall cease work until there is compliance.

30. EVENTS OF DEFAULT. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

A. Subject to unavoidable delays, failure by Developers to commence and complete construction of the Public Improvements pursuant to the terms, conditions and limitations of this Agreement.

B. Failure by Developers to substantially observe or perform any material covenant, condition, obligation or agreement on their part to be observed or performed under this Agreement.

31. REMEDIES ON DEFAULT. Whenever any Event of Default occurs, the City, subject to any rights of third parties agreed to by the City pursuant to this Agreement, or otherwise by written, executed instrument of the City, may take any one or more of the following:

A. The City may suspend its performance under the Agreement until it receives assurances from Developers, deemed adequate by the City, that Developers will cure their default and continue their performance under the Agreement. Suspension of performance includes the right of the City to withhold permits including, but not limited to, building permits.

B. The City may initiate such action, including legal or administrative action, as is necessary for the City to secure performance of any provision of this agreement or recover any amounts due under this Agreement from Developers, or immediately draw on the Letter of Credit, as set forth in this Agreement.

32. ENFORCEMENT BY CITY: DAMAGES. The Developers acknowledge the right of the City to enforce the terms of this Agreement against the Developers, by action for specific performance or damages, or both, or by any other legally authorized means. The Developers also acknowledge that their

failure to perform any or all of their obligations under this Agreement may result in substantial damages to the City; that in the event of default by the Developers, the City may commence legal action to recover all damages, losses and expenses sustained by the City; and that such expenses may include, but are not limited to, the reasonable fees of legal counsel employed with respect to the enforcement of this Agreement.

33. WARRANTY. The Developer warrants all improvements required to be constructed by it pursuant to this Contract against poor material and faulty workmanship. The Developer shall submit a letter of credit for twenty-five percent (25%) of the amount of the original cost of the improvements.

A. The required warranty period for materials and workmanship for the utility contractor installing public sewer and water mains shall be two (2) years from the date of final written City acceptance of the work.

B. The required warranty period for all work relating to street construction, including concrete curb and gutter, sidewalks and trails, materials and equipment shall be subject to one (1) year from the date of final written acceptance, unless the wearing course is placed during the same construction season as the bituminous base course. In those instances, the Developer shall guarantee all work, including street construction, concrete curb and gutter, sidewalks and trails, material and equipment for a period of two (2) years from the date of final written City acceptance of the work.

C. The required warranty period for sod, trees, and landscaping is three growing seasons following installation.

34. SUMMARY OF SECURITY REQUIREMENTS. To guarantee compliance with the terms of this agreement, payment of special assessments, payment of the costs of all public improvements, and construction of all public improvements, the Developer shall furnish the City with an irrevocable letter of credit, in the form attached hereto, from a bank, cash escrow or a combination cash escrow and Letter of Credit ("security") for **\$4,080,974**. The amount of the security was calculated as follows:

CONSTRUCTION CATEGORY:	COST	125%
1. Grading	N/A	
2. Sanitary Sewer	\$379,407	\$474,259

3. Watermain	\$460,445	\$575,556
4. Storm Sewer (includes pond structures and outfall pipes)	\$449,062	\$561,328
5. Streets	\$1, 296,601	\$1,620,751
6. Trails and Sidewalks	\$281,412	\$351,765
7. Surface Water Facilities (infiltration basins, bio retention basins, rain gardens, etc.)	N/A	
8. Street Lighting	\$84,000	\$101,262
9. Street Signs and Traffic Control Signs	\$4,650	\$5,813
10. Private Utilities (electricity, natural gas, telephone, and cable)	To be coordinated by the developer	
11. Landscaping	\$213,893	\$299,733
12. Tree Preservation and Restoration	N/A	
13. Wetland Mitigation and Buffers	N/A	
14. Monuments	\$7,800	\$9,750
15. Erosion and Sedimentation Control	\$81,009	\$101,261
16. Miscellaneous Facilities	N/A	
17. Developer's Record Drawings	\$6,500	\$8,125
CONSTRUCTION SUBTOTAL	\$3,264,779	N/A
TOTAL PROJECT SECURITIES (at 125% Construction Costs)	N/A	\$4,080,974

This breakdown is for historical reference; it is not a restriction on the use of the security. The bank shall be subject to the approval of the City Administrator. The City may draw down the security, without notice, for any violation of the terms of this Contract or if the security is allowed to lapse prior to the end of the required term. If the required public improvements are not completed at least thirty (30) days prior to the expiration of the security, the City may also draw it down. If the security is drawn down, the proceeds shall be used to cure the default.

36. REDUCTION OF SECURITY. Upon written request by the Developer to the City Engineer

and upon receipt of proof satisfactory to the City Engineer that work has been completed in accordance

with the approved plans and specifications, and terms of this Agreement, and that all financial obligations to the City have been satisfied, the City Engineer may approve reductions in the security as follows:

A. Upon completion of grading operations, including temporary site restoration, Developer shall submit an as-built grading survey to the City that at a minimum establishes the as-built grades at all lot corners and downstream drainage conveyance systems and storm water ponds. Upon inspection of the site and approval of the as-built survey, 100%, or \$0, of the grading security may be released. This security reduction does not include amounts related to erosion and sedimentation control.

B. Up to 75% of the security provided in accordance with paragraph 34 may be released upon completion of the following key milestones of the project as determined by the City Engineer.

C. Construction Categories 2 and 3: The amount of \$787,361 may be released when all sanitary sewer and watermain utilities have been installed, all testing and televising has been successfully completed, sanitary sewer as-built inverts have been verified, and the utilities are considered ready for use by the City Engineer.

D. Construction Categories 4 and 5: The amount of \$1,636,559 may be released when all streets, and storm sewer have been installed and tested, and have been found to be complete to the satisfaction of the City Engineer including all corrective work for any identified punch list items and including verification of storm sewer as-built inverts, but not including the final wear course.

E. Construction Categories 6-17: The amount of \$636,810 may be released when all remaining Developer's obligations under this Agreement have been completed including: (1) bituminous wear course, (2) street lighting and private utilities, (3) sidewalks and trails, (4) bio retention facilities, (5) iron monuments for lot corners have been installed, (3) all financial obligations to the City satisfied, (4) the required "record" plans in the form of the City standards have been received and approved by the City, and (5) the public improvements are accepted by the City Engineer and City Council.

F. At no point may the Security be reduced below twenty-five percent (25%) of the original security amount until: (1) the warranty period has expired, (2) all improvements have been fully completed and excepted by the City, including all corrective work and identified punch list items, and (3)

all financial obligations to the City have been satisfied.

G. In addition to the above project milestone based security reductions, the Developer may submit written request to the City Engineer and upon receipt of proof satisfactory to the City Engineer that work is progressing in accordance with the approved plans and specifications, and terms of this Agreement, and that all financial obligations to the City have been satisfied, the City Engineer may approve a one-time reduction in the security for Construction Categories 2-5 in an amount not to exceed fifty percent (50%) of the initial security amounts.

H. It is the intention of the parties that the City at all times have available to it a Letter of Credit in an amount adequate to ensure completion of all elements of the Subdivision Improvements and other obligations of the Developer under this Agreement, including fees or costs due to the City by the Developer. To that end and notwithstanding anything herein to the contrary, all requests by the Developer for a reduction or release of the Letter of Credit shall be evaluated by the City in light of that principle.

36. SUMMARY OF CASH REQUIREMENTS. The following is a summary of the cash requirements under this Contract which must be furnished to the City at the time of final plat approval:

Sewer Availability Charge (SAC)	\$234,000
Water Availability Charge (WAC)	\$234,000
Park Dedication	N/A
Street Light Operating Fee	\$1,764
City Base Map Upgrading	\$3,000
City Engineering Administration Escrow	\$50,000(Based on two months of administration/observation
TOTAL CASH REQUIREMENTS	\$522,764

37. NOTICES. Required notices to the Developer shall be in writing, and shall be either hand delivered to the Developer, its employees or agents, or mailed to the Developer by certified mail at the following address: 16305 36th Avenue N, Suite 600, Plymouth, MN 55446. Notices to the City shall be in writing and shall be either hand delivered to the City Administrator, or mailed to the City by certified mail in care of the City Administrator at the following address: Lake Elmo City Hall, 3800 Laverne Avenue N. Lake Elmo, Minnesota 55042.

38. EVIDENCE OF TITLE. Developer shall furnish the City with evidence of fee ownership of the property being platted by way of an attorney's title opinion or title insurance policy dated not earlier than thirty (30) days prior to the execution of the plat.

CITY OF LAKE ELMO

BY: _____
Mike Pearson, Mayor

(SEAL)

AND _____
Julie Johnson, City Clerk

DEVELOPER:

BY: _____
Its

STATE OF MINNESOTA)
 (ss.
COUNTY OF WASHINGTON)

The foregoing instrument was acknowledged before me this _____ day of _____,
2_____, by _____ and by _____, the
Mayor and City Clerk of the City of Lake Elmo, a Minnesota municipal corporation, on behalf of the
corporation and pursuant to the authority granted by its City Council.

NOTARY PUBLIC

STATE OF MINNESOTA)
 (ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day _____ of
_____, 2_____, _____ by
_____ the _____
of _____.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**FEE OWNER CONSENT
TO
DEVELOPMENT CONTRACT**

_____, fee owners of all or part of the subject property, the development of which is governed by the foregoing Development Contract, affirm and consent to the provisions thereof and agree to be bound by the provisions as the same may apply to that portion of the subject property owned by them.

Dated this _____ day of _____, 2_____.

STATE OF MINNESOTA)
 (ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2_____,
by _____.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**MORTGAGE CONSENT
TO
DEVELOPMENT CONTRACT**

_____, which holds a mortgage on the subject property, the development of which is governed by the foregoing Development Contract, agrees that the Development Contract shall remain in full force and effect even if it forecloses on its mortgage.

Dated this _____ day of _____, 2_____.

STATE OF MINNESOTA)
 (ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
2_____, by _____.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

**CONTRACT PURCHASER CONSENT
TO
DEVELOPMENT CONTRACT**

_____, which/who has a contract purchaser's interest in all or part of the subject property, the development of which is governed by the foregoing Development Contract, hereby affirms and consents to the provisions thereof and agrees to be bound by the provisions as the same may apply to that portion of the subject property in which there is a contract purchaser's interest.

Dated this _____ day of _____, 2_____.

STATE OF MINNESOTA)
 (ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____,
2_____, by _____.

NOTARY PUBLIC

DRAFTED BY:
City of Lake Elmo
3800 Laverne Avenue North
Lake Elmo, MN 55042
(651) 747-3901

EXHIBIT "A"
TO
DEVELOPMENT CONTRACT

Legal Description of Property Being Final Platted as
Savona 4th Addition

That part of the East Half of the Southwest Quarter of Section 34, Township 29, Range 21, Washington County, Minnesota, described as follows:

Commencing at the West Quarter corner of said Section 34; thence South 00 degrees 00 minutes 40 seconds East, along the west line of said Section 34, a distance of 472.55 feet; thence North 89 degrees 57 minutes 32 seconds East, a distance of 1315.91 feet to the west line of said East Half of the Southwest Quarter and the point of beginning; thence South 00 degrees 02 minutes 55 seconds West, along said west line a distance of 714.99 feet; thence North 89 degrees 55 minutes 22 seconds East, a distance of 212.38 feet; thence southeasterly along a tangential curve concave to the southwest having a central angle of 29 degrees 05 minutes 37 seconds, a radius of 1100.00 feet for an arc distance of 558.56 feet; thence South 60 degrees 59 minutes 01 seconds East, tangent to said curve, a distance of 224.27 feet; thence southeasterly along a tangential curve, concave to the northeast, having a central angle of 29 degrees 11 minutes 27 seconds, a radius of 760.00 feet for an arc distance of 387.20 feet to the east line of said East Half of the Southwest Quarter; thence North 00 degrees 06 minutes 31 seconds East, not tangent to said curve and along said east line, a distance of 1057.90 feet to a line bearing North 89 degrees 57 minutes 32 seconds East from said point of beginning; thence South 89 degrees 57 minutes 32 seconds West, a distance of 1315.91 feet to the point of beginning.

EXCEPT

That part of the East Half of the Southwest Quarter of Section 34, Township 29, Range 21, Washington County, Minnesota described as follows:

Commencing at the northwest corner of said East Half of the Southwest Quarter; thence South 00 degrees 02 minutes 55 seconds West, assumed bearing, along the west line of said East Half a distance of 759.99 feet to the point of beginning of the parcel to be described; thence South 16 degrees 08 minutes 55 seconds East, along the centerline of the Pipeline Easement described in Document No. 3172091, a distance of 448.37 feet; thence South 89 degrees 55 minutes 22 seconds West a distance of 125.07 feet to said west line of said East Half; thence North 00 degrees 02 minutes 55 seconds East, along said west line a distance of 430.85 feet to the point of beginning.

AND

That part of the East Half of the Southwest Quarter of Section 34, Township 29, Range 21, Washington County, Minnesota, lying south of the south line of the dedicated plat of STONEGATE 2ND ADDITION and lying north of a line described as follows:

Commencing at the West Quarter corner of said Section 34; thence South 00 degrees 00 minutes 40 seconds East, along the west line of said Section 34, a distance of 472.55 feet to the point of beginning of the line to be described; thence North 89 degrees 57 minutes 32 seconds East, a distance of 2631.82 feet to the east line of said East Half of the Southwest Quarter and said line there terminating.

EXCEPTING THEREFROM;

Commencing at the Southwest corner of Lot 4, Block 3, said STONEGATE 2ND ADDITION, according to the recorded plat thereof, Washington County, Minnesota; thence South 00 degrees 02 minutes 55 seconds West, assumed bearing along the West line of said East Half of the Southwest Quarter, a distance of 262.00 feet; thence North 89 degrees 57 minutes 33 seconds East, a distance of 358.06 feet; thence North 00 degrees 02 minutes 55 seconds East, a distance of 262.00 feet to the Southeast corner of said Lot 4; thence South 89 degrees 57 minutes 33 seconds West, along the South line of said Lot 4, a distance of 358.06 feet to the point of beginning.

IRREVOCABLE LETTER OF CREDIT

No. _____
Date: _____

TO: City of Lake Elmo

Dear Sir or Madam:

We hereby issue, for the account of _____ (Name of Developer) and in your favor, our Irrevocable Letter of Credit in the amount of \$_____, available to you by your draft drawn on sight on the undersigned bank.

The draft must:

a) Bear the clause, "Drawn under Letter of Credit No. _____, dated _____, 2_____, of (Name of Bank) _____";

b) Be signed by the Mayor or City Administrator of the City of Lake Elmo.

c) Be presented for payment at _____ (Address of Bank) _____, on or before 4:00 p.m. on November 30, 2_____.

This Letter of Credit shall automatically renew for successive one-year terms unless, at least forty-five (45) days prior to the next annual renewal date (which shall be November 30 of each year), the Bank delivers written notice to the Lake Elmo City Administrator that it intends to modify the terms of, or cancel, this Letter of Credit. Written notice is effective if sent by certified mail, postage prepaid, and deposited in the U.S. Mail, at least forty-five (45) days prior to the next annual renewal date addressed as follows: City Administrator, City Hall, 3800 Laverne Ave. N. Lake Elmo Minnesota 55042 and is actually received by the City Administrator at least thirty (30) days prior to the renewal date.

This Letter of Credit sets forth in full our understanding which shall not in any way be modified, amended, amplified, or limited by reference to any document, instrument, or agreement, whether or not referred to herein.

This Letter of Credit is not assignable. This is not a Notation Letter of Credit. More than one draw may be made under this Letter of Credit.

This Letter of Credit shall be governed by the most recent revision of the Uniform Customs and Practice for Documentary Credits, International Chamber of Commerce Publication No. 500.

We hereby agree that a draft drawn under and in compliance with this Letter of Credit shall be duly honored upon presentation.

BY: _____

Its _____