



## **STAFF REPORT**

DATE: 03/05/2019

**REGULAR**

ITEM #:

**MOTION**

**TO:** Mayor and City Council Members

**FROM:** Ken Roberts, Planning Director

**AGENDA ITEM:** **Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition - Final Plat Recording Time Extension**

**REVIEWED BY:** Kristina Handt, City Administrator

### **BACKGROUND:**

On December 4, 2018, the City Council approved a request by H.C. Golf Land, LLC for approval of the Final Plat and final PUD plans for the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition. The approved Final Plat for the 3<sup>rd</sup> Addition has 67 residential lots including 33 single-family villa style townhomes and 34 traditional single-family detached homes.

### **ISSUE BEFORE CITY COUNCIL:**

The City Council is now being asked to consider a request by H.C. Golf Land, LLC for approval of a time extension for the recording of the Final Plat for the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition. (Please see the attached letter from Royal Golf Club explaining this request.)

### **REVIEW/ANALYSIS:**

*Applicant and Owner:* H.C. Golf Land, LLC

*Location:* Outlot T, Royal Golf Club at Lake Elmo, PID# 25.029.21.22.0001, and Outlot J, Royal Golf Club at Lake Elmo, PID #25.029.21.31.0041.

***Request:*** **Time Extension to Record the approved Final Plat**

*Existing Land Use:* Vacant Outlot; Current Zoning: GCC – Golf Course Community

*Surrounding Land Use:* North – Rural Single Family (RS) and Rural Residential (RR), South – The Homestead (OP – Open Space), East – Golf Course (GCC – Golf Course Community),

*Comprehensive Plan:* GCC – Golf Course Community

*Deadline for Action:* Application Complete – 2-12-2019  
60 Day Deadline – 4-11-2019  
Extension Letter Mailed – No  
120 Day Deadline – NA

*Applicable Regulations:* Chapter 153.10 – Final Major Subdivisions (Final Plat)

## **TIME EXTENSION REQUEST - REVIEW AND ANALYSIS**

### **City Code Requirements**

Section 153.10 (B) (4) of the City Code has the requirements for recording a final plat. It states in part “If not filed within 120 days, approval of the final plat shall be considered void, unless a request for a time extension is submitted in writing and approved by the Council.”

The City approved the final plat for The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition on December 4, 2018. As such, the developer or applicant would have until April 3, 2019 to record the final plat to meet the 120 day time limit set by the City Code. The owners submitted a letter to the City on February 12, 2019 asking for a time extension to record the final plat for The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition. They are requesting to have about 15 months, until June 1, 2020, to record the final plat. The City Code is silent, however, on what if any considerations, requirements or criteria the City should use when considering such a time extension request. As such, the City should review each time extension request on a case-by-case basis.

### **Request Details**

In their letter of request, the developer outlined several reasons why they want to wait to record the final plat for the Third Addition until 2020 and why they want the City to grant the time extension. They include:

1. A softening of the housing market in the east metro.
2. The loss of one of the approved home builders in the development.
3. The amount of lot inventory still available in Phases 1 and 2.
4. Concerns about creating 67 more lots while the demand for the lots has slowed down.

The developer also notes in their letter that they intend to proceed with the development of Phase 3 as soon as market conditions improve. They also explain their reasons as to why they want the time extension until June 1, 2020 as it revolves the 2019 Parade of Homes and the 2019-2020 construction seasons.

Staff does not see a problem with this request as it would be better to not have a developer create lots and start construction of a phase of a project until they are sure that it will succeed. In addition, this delay should not negatively affect any of the neighbors or other developments as the Royal Golf development is contained to the land within the former Tartan Park.

The applicant does, however, need to address an important project construction timing issue. Washington County will be reconstructing Lake Elmo Avenue along the west side of the site this summer. As part of their project, they will be reconstructing the road and constructing turn lanes to serve the new access point (Royal Boulevard North) into the development. The new water main for the Royal Golf at Lake Elmo 3<sup>rd</sup> Addition will connect to the existing water main under Lake Elmo Avenue. City and County staff want the developer to make their new water main connection before or as a part of the reconstruction of Lake Elmo Avenue so they do not tear up the new road surface later this year or in 2020 to install the new water main to serve the development.

This time extension request does not change the City’s final plat approval nor the conditions of approval granted by the city on December 8, 2018. The final plat and the project plans will still be required to meet all the conditions of approval as this phase of the development moves forward to completion.

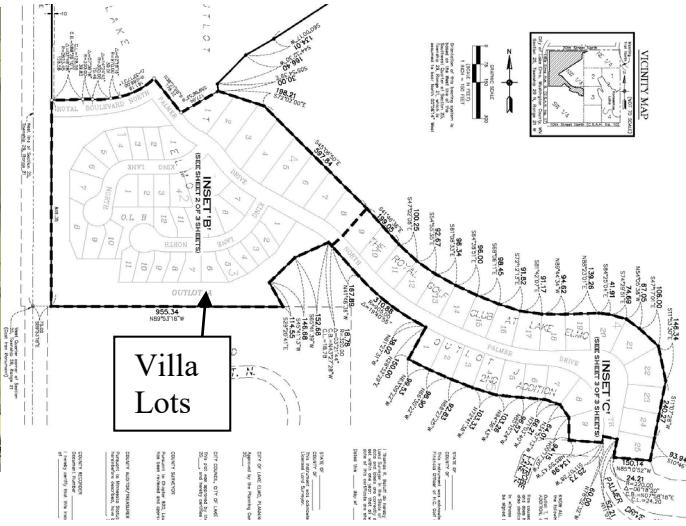
## 2018 REVIEW - FINAL PLAT AND PUD PLANS

**Consistency with Preliminary Plat.** The proposed lot sizes, widths, and proposed impervious surface are generally consistent with that of preliminary plat. The only change is the modification of Kings Lane which was shown as a loop road in the Preliminary Plat, and is now proposed as two cul-de-sacs in the Final Plat. As a result of the conversion to two cul-de-sacs, forty original villa lots fronting Kings Lane have been reduced to 33 villa lots. General circulation is maintained in the broader development with through-traffic along Palmer Drive.

### Previous Preliminary Plat



### Approved Final Plat



**Density.** The total area of the 3<sup>rd</sup> Addition is 103.70 acres. This total includes 20.56 acres of single-family residential lots, 6.62 acres of residential right-of-way, 4.75 acres of wetland, and 76.53 acres of outlots. Residential Density is therefore calculated as  $103.70 - 4.75 \text{ Wetland} = 98.95 / 67 \text{ units} = 1.48 \text{ units per acre}$  for the 3<sup>rd</sup> Addition.

**Outlots.** An explanation of ownership and purpose of the outlots is below.

- Outlot A will be owned by the HOA to be used for drainage and utility easement, landscaping, and open space purposes, and future residential development.
- Outlot B will be owned by the HOA. A drainage and utility easement will be over all of Outlot B.
- Outlot C will be owned by the HOA to be used for drainage and utility easement, landscaping, and open space purposes.

**Parkland Dedication.** As approved with the Preliminary Plat, the developer is required to dedicate 8.8 acres of land or pay a cash contribution of \$611,457.00 for the entire preliminary plat area (291 lots) and dedicate a total of 8,085 lineal feet of trails with a 30-foot wide corridor, less a 5,010 foot buffer encroachment. For this phase, the developer will be required to pay a cash contribution of \$140,834.00, calculated as follows: 67 lots at \$2,101.00 per lot.

A 30-foot-wide trail corridor was required to be dedicated to the City centered on public trails in the development and the value of the dedicated land was to be credited toward any fees in lieu of parkland dedication. The 3<sup>rd</sup> Addition does not include the trail corridor location, and therefore no reduction or credit is provided within this phase.

Construction of a play structure near the HOA fitness center was a condition of the 2<sup>nd</sup> Addition Final Plat, which was originally required to be completed prior to the 3<sup>rd</sup> Addition Final Plat. The developer asked the City in July 2018 to change this condition of approval to delay the installation of the required play structure until the construction of the 3<sup>rd</sup> Addition as it was not practical and potentially unsafe to install it during the construction of the 2<sup>nd</sup> Addition. The city approved a revised condition that the developer install the play structure in Outlot D of the 2<sup>nd</sup> Addition before the city releases building permits for the 3<sup>rd</sup> Addition.

**Recommended Findings (for Royal Golf Club 3<sup>rd</sup> Addition).** In 2018, staff recommended the following findings for the approval of the Royal Golf Club 3<sup>rd</sup> Addition:

1. That all the requirements of City Code Sections 153.07 and 154.759 related to Final Plat and Final PUD Plans have been met by the Applicant.
2. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans are generally consistent with Preliminary Plat and PUD Plans approved by the City of Lake Elmo on June 6, 2017.
3. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans are consistent with the Lake Elmo Comprehensive Plan and the Future Land Use Map for this area.
4. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans generally comply with the City's GCC - Golf Course Community zoning districts as modified by the PUD regulations.
5. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat PUD Plans comply with the City's subdivision ordinance.
6. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans comply with the City's Planned Unit Development Regulations.
7. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans comply with the City's Engineering Standards, except where noted in the review memorandum from the City Engineer dated November 19, 2018 and modified by PUD regulations.
8. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans generally comply with other City zoning ordinances, shoreland, and erosion and sediment control, except as noted in this staff report and review memorandum from the City Engineer dated November 19, 2018.
9. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans generally comply with the City's landscaping and tree preservation ordinances, providing some flexibility to the Applicant to allow for woodland management and pollinator friendly native seeding in lieu of some required tree replacement in order to avoid possible detriment caused by over planting.
10. That the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat and PUD Plans achieve multiple identified objectives for planned developments within Lake Elmo.
11. That the proposed Final Plat and PUD Plans are for the 3<sup>rd</sup> Addition of 67 single family residential units of a 291-unit total residential golf course community Planned Unit Development on 103.7 acres of land (of 231 acres total) located on the former 3M Tartan Park properties.

12. That the Final Plat and PUD Plans will be located on property legally described on the attached Exhibit "A".
13. That there has been significant public testimony that 20th Street is already dangerous without the additional traffic and that the City and developer need to explore ways to make the road safer.
14. That the proposed PUD will allow a more flexible, creative, and efficient approach to the use of the land, and will specifically relate to existing zoning district standards in the following manner (with exceptions as noted):

a. Setbacks:

**i. Royal Golf Club at Lake Elmo Setbacks**

15.	16. 100 Ft. Wide Lots	17. 80-90 Ft. Wide Lots	18. 55-65 Ft. Wide Lots
19. Front	20. 30 ft.	21. 30 ft.	22. 20 ft. for side loaded garages, or 25'
23. Side	24. 10 ft.	25. 10 ft.	26. 10ft. house/5ft. garage or 7.5 ft./7.5 ft.
27. Corner Side	28. 15 ft.	29. 15 ft.	30. 15 ft.
31. Rear	32. 30 ft.	33. 30 ft.	34. 20 ft.

- a. Maximum Impervious Coverage: The maximum impervious coverage for 55-65' wide lots shall be 50%. All other lots shall have a maximum impervious coverage of 40%.
- b. Lot Sizes: The minimum lot size for Villa lots (55-65' wide) in the development shall be 6,600 sq. ft.
- c. Attached Garages: That attached garages shall not exceed 1,300 sq. ft. in area at the ground floor level except by conditional use permit. The width of the visible garage door area when closed shall not exceed 60% of the principal building façade (including garage) fronting on the primary street.
- d. Subdivision Identification Signs: The Royal Golf Club at Lake Elmo residential subdivision shall be allowed up to a maximum of 4 subdivision identification signs, including the identification sign for the golf course entrance, not to exceed 24 sq. feet in sign area each, located no closer than 10 feet to any public right-of-way. In addition, neighborhood identification markers (pillars) shall be permitted to be no larger than 2 ft. x 2 ft. to identify the development logo and the name of

the neighborhood. Additional subdivision signs should be considered for a subdivision of this size.

- i. *Staff Note:* If the developer requests a change to this, a variance should be requested.
- e. All other requirements for the City's GCC – Golf Course Community zoning district will apply, including the allowed uses and other site and development standards.
- f. That the proposed street names within the development are generally consistent with the City's Street Naming Policy as amended April 17, 2018.
- g. The developer has not yet constructed an HOA-owned and maintained play structure as required by the original condition of approval of the 2<sup>nd</sup> Addition Final Plat.

**Recommended Conditions of Approval.** Staff recommends the following conditions of approval for The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition final plat **and** for The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition final plat recording time extension (NOTE: Conditions 1-18 are from the 2018 Final Plat approval):

- 1. That there shall be no encroachments to drainage and utility easements on residential lots other than those reviewed and approved by the City Engineer and upon execution of an easement encroachment agreement.
- 2. Prior to the execution of Final Plat, the Developer shall enter into a Developer's Agreement acceptable to the City Attorney and approved by the City Council that delineates who is responsible for the design, construction, and payment of the required improvements with financial guarantees therefore.
- 3. The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition shall be incorporated into the Common Interest Agreement concerning management of the common areas and establish a homeowner's association (HOA) which shall be submitted in final form to the Planning Director before any building permit may be issued for any structure in any phase of the development. Said agreement shall comply with Minnesota Statues 515B-103 and specifically the provisions concerning the transfer of control to the future property owners. The HOA documents shall include required maintenance of wetland buffers.
- 4. That the HOA documents include architectural requirements that require four-sided architecture and garages facing the public rights-of-way to have windows and/or other architectural features.
- 5. The applicant shall enter into a landscape license and maintenance agreement with the City that clarifies the individuals or entities responsible for landscaping.
- 6. The developer shall provide evidence of an HOA owned and maintained children's play structure or other similar improvement has been constructed within Outlot D of the 2<sup>nd</sup> Addition before the release of building permits for the 3<sup>rd</sup> Addition.
- 7. That a fee in lieu of park land dedication be paid to the City based upon an appraisal by an appraiser to be chosen by the City and paid for by the developer.
- 8. That the developer pay a parkland dedication fee equal to \$500 per 2.5 caliper inch required in lieu of some required tree preservation replacement tree requirements, totaling **\$111,552.00** in lieu of planting the required number of trees required. This fee was

calculated as follows: \$500.00 multiplied by 969 2.5-caliper inch tree not planted within the entire subdivision, divided by 291 single family lots within the entire subdivision, multiplied by 67 single family lots within the 3<sup>rd</sup> Addition.

9. All changes and modifications to the plans requested by the City Engineer in the Engineer's review memo dated November 19, 2018 shall be incorporated into the Final Plat and PUD Plans. The Applicant should note the requirements for VBWD permits for temporary storm water management.
10. The Final Plat and PUD Plans approval is conditioned upon the applicant meeting all City standards and design requirements unless specifically addressed otherwise in this resolution.
11. Prior to the City issuing building permits, all wetland buffers shall be delineated and identified via staking or signage that is acceptable to the City.
12. Prior to the construction of any subdivision identification signs or neighborhood markers within the development, the developer shall submit sign plans for review and obtain a sign permit from the Planning Department. Any amendments to the finding regarding signs indicated in this Resolution shall be subject to a PUD amendment or variance.
13. That the Final Plat include street names as approved by the City Council.
14. The developer shall follow all of the rules and regulations spelled out in the Wetland Conservation Act and shall acquire the needed permits from the appropriate watershed districts prior to the commencement of any grading or development activity on the site.
15. That the Royal Golf Club development will not have street lights except at street intersections and cul-de-sacs.
16. That the developer make a \$1,000,000 donation to the City Parks fund when construction of the 3<sup>rd</sup> Addition prohibits use of the former Tartan Park ballfields, including construction materials storage and before the city releases the 3<sup>rd</sup> Addition final plat for recording.
17. The location and spacing of the trees that overlap the buildings and on edge of driveway when shown at mature diameter is adjusted and resubmitted on a revised landscape plan, per the Landscape Review memo, dated November 8, 2018.
18. The developer shall pave the unfinished trail in the 2<sup>nd</sup> Addition as soon as favorable conditions are available in the spring of 2019. The City may choose to not release building permits for the 3<sup>rd</sup> Addition in the spring of 2019 if the developer has not completed the required trail paving in a timely manner.
19. That the developer or applicant record with Washington County the final plat for the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition by June 1, 2020.
20. That the developer install the new water main for the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition at the intersection of Royal Boulevard North and Lake Elmo Avenue before Washington County completes the reconstruction of Lake Elmo Avenue in 2019. The developer shall install at least enough new water main from the existing water main to get the new water main to private property and out of the County Road right-of-way. The developer shall coordinate the timing of the installation of the new water main at this intersection with Washington County.

**RECOMMENDATION:**

Staff recommends that the City Council approve the requested time extension for the recording of the Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition Final Plat. This approval grants the developer until June 1, 2020 to record the final plat and is based on the findings of fact and is subject to the conditions of approval outlined in the Staff Report.

***“Move to approve the requested time extension to June 1, 2020 to record the Royal Golf Club at Lake Elmo 3rd Addition Final Plat. This approval is based on the findings of fact and is subject to the conditions of approval outlined in the Staff Report.”***

**ATTACHMENTS:**

1. Final Plat Recording Time Extension letter received 2-12-2019 (2 pages)
2. Royal Golf at Lake Elmo 3<sup>rd</sup> Addition Final Plat (3 pages)



## ROYAL GOLF CLUB

RECEIVED

FEB 12 2019

CITY OF LAKE ELMO

Ken Roberts  
Director of Planning  
City of Lake Elmo  
3880 Laverne Avenue  
Lake Elmo, MN 55042

RE: The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition

Dear Mr. Roberts:

As you are aware, Royal Development, Inc. (“Royal”) received approval of the final plat of *The Royal Golf Club at Lake Elmo 3<sup>rd</sup> Addition* (the “Plat”) from the City Council at the Council’s December 4, 2018 meeting. Royal greatly appreciates the City’s continued support of the development of The Royal Golf Club at Lake Elmo (the “Development”).

City Code Section 153.08(B)(4) provides that “[i]f not filed within 120 days, approval of the final plat shall be considered void, unless a request for time extension is submitted in writing and approved by the Council.” As Royal has proceeded through the preparations for recording the Plat and completing the Development Agreement and other ancillary documents, Royal has determined that initiating the construction of Phase 3 may currently not be in the best interest of Royal, its builders and the City. This determination is based on a couple matters that have arisen since receiving Council approval of the Plat on December 4, 2018 and Royal strongly believes that recording the Plat within the 120 days set forth in City Code Section 153.08(B)(4) will be detrimental to the Development. However, Royal does not want to cause the Council’s approval to be voided and cause the City and Council to expend additional time and resources to again review, comment and approve the Plat; therefore, this correspondence shall serve as Royal’s request for an extension of time to record the Plat.

Royal is requesting an extension of the Council’s Plat approval through June 1, 2020. Royal understands that the Council may have concerns with such an extended period for the time extension from its original approval of the Plat, therefore, Royal requests that the Council consider the following information:

1. When Phase 1 of the Development was in progress, the real estate market was thriving with the inventory of homes for sale being extremely low and the inventory of new lots available for the construction of a custom home in the eastern suburbs was even lower. During the development of Phase 2, Royal has seen the market begin to soften with fewer potential buyer’s previewing the available lots. Royal’s builders within the Development have also seen the number of buyer’s who are visiting their model homes and who are beginning the process of designing a custom home decrease.
2. At the time building permits became available for lots in Phase 2, one of the four single family home builders under contract with Royal, terminated its agreement with Royal to purchase its selected Phase 2 lots and also forfeited its rights to be involved in the future phases of the Development. It is Royal’s understanding that the builder has struggled to sell its inventory of lots in Phase 1 as well as its Phase 1 model due to the downturn in the market that all of the builders have seen. As a result, Royal is currently exploring various options to deal with the loss of this builder in Phase 2 and the future phases of



## ROYAL GOLF CLUB

the Development. All interested parties to whom Royal has spoken are curious to see what will happen during the five weekends of the Spring Parade of Homes which is being held from March 1-31, 2019. None of the interested parties want to negotiate with Royal until after the Spring Parade. The problem is that without an extension, the Phase 3 plat has to be filed on or before April 3, 2019 – leaving practically no time after the parade to analyze and negotiate a deal. As further indication of the weakening market, one of the end buyers that had contracted with one of Royal's builders has now backed out of its construction contract and is instead, trying to sell the Phase 1 lot they have purchased.

3. Royal's builders each currently own a significant inventory of unsold Phases 1 and 2 lots. Based on the slowing of sales and their existing lot inventory, the builders have indicated that they are hesitant to acquire additional lots in Phase 3 at this time. Royal and its builders would like time to sell their existing lots.

Based upon all of this, it is the position of Royal and the builders that opening up 67 additional lots in Phase 3 at this time will cause a significant over supply of lots versus current public demand. This would simply add to the softening of the market in the area. Royal and the builders believe that limiting the current inventory of lots available in the Development will increase the demand for those lots which will hopefully result in the Phase 3 lots selling quickly once developed.

It is Royal's intent to proceed with the development of Phase 3 as soon as market conditions improve and the market shows it will support the addition of the Phase 3 lots. Royal and its builders believe that they will need additional lots during the 2020 selling season. Therefore, Royal believes the extension until June 1, 2020 to record the Plat and begin construction is reasonable because it will allow Royal to be in a position to not only start the construction of Phase 3 as soon as feasible based on the market, but also provide Royal with the time frame needed to complete Phase 3 construction prior to winter conditions necessitating a stoppage in work.

Royal is proposing that during the time extension, the process of completing the other requirements needed to allow the Plat to be recorded continue to the extent possible, such as completion of the Development Agreement and the other ancillary agreements, which will facilitate the development of Phase 3 once Royal and its builders have determined the time is right for Phase 3.

If there are any additional questions or additional information is required, please contact me at 651-414-1948.

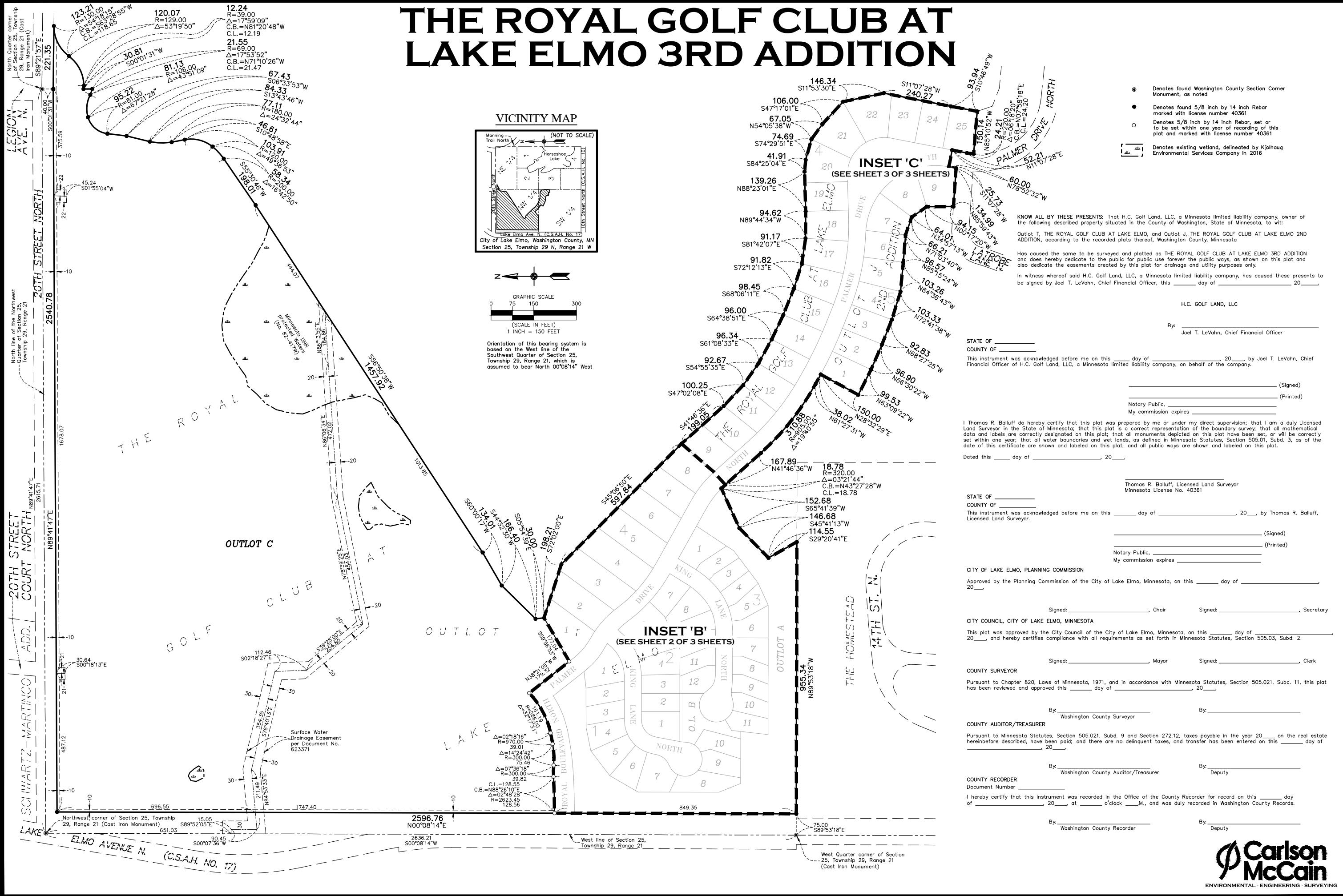
Thank you for the consideration of this request.

Yours truly,



James Felten  
President  
Royal Development, Inc.

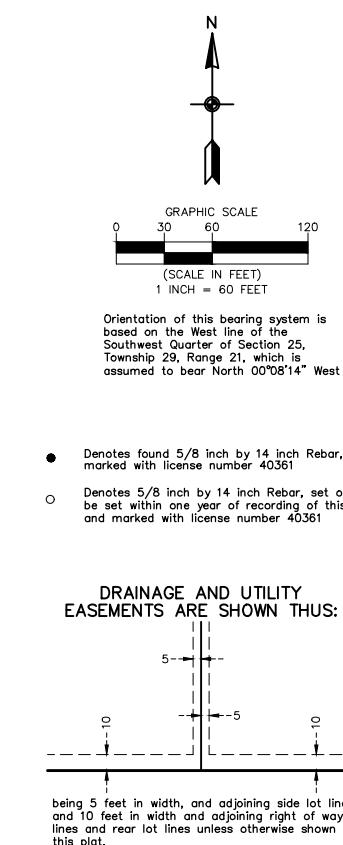
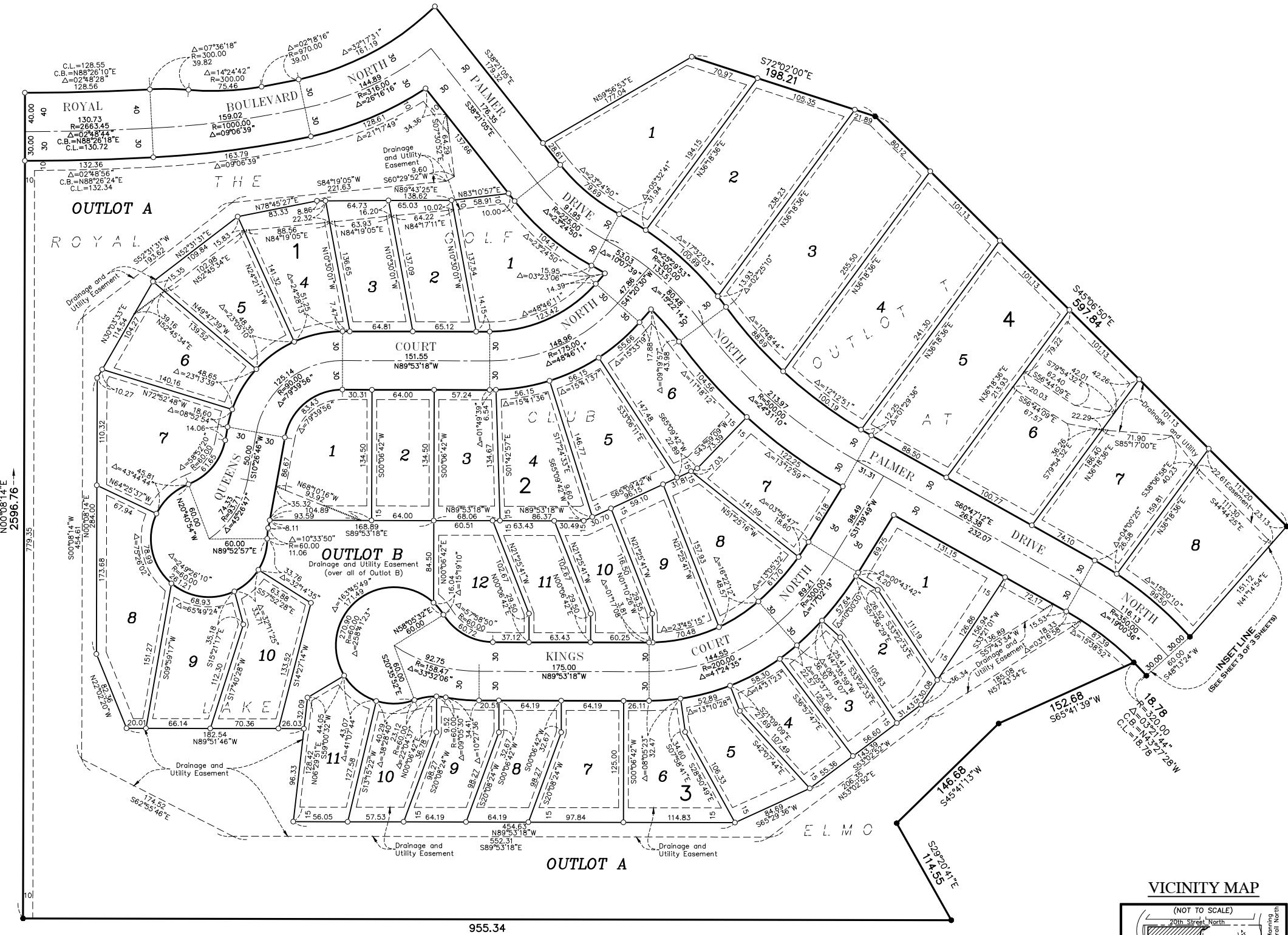
# THE ROYAL GOLF CLUB AT LAKE ELMO 3RD ADDITION



# THE ROYAL GOLF CLUB AT LAKE ELMO

## 3RD ADDITION

INSET 'B'



# THE ROYAL GOLF CLUB AT LAKE ELMO

## 3RD ADDITION

INSET 'C'

