



Legislation Details (With Text)

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Title: Consider Resolution Amending Lot 5 Contract Extension Agreement.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 1 - Resolution, 2. 2 - Crossing_Lot 5_Second Amendment_1-17-19, 3. 3 - RDP Lot 5 Memo, 4. 4 - Lot 5 Site Map

| Date | Ver. | Action By | Action | Result |
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City Council Meeting Date: January 22, 2019

To: Mayor and City Council
City Administrator

From: Nate Carlson, Economic Development Coordinator
Mitzi Baker, Community Development Director
Scott Tempel, City Planner

Consider Resolution Amending Lot 5 Contract Extension Agreement.

Action Requested:

The Northfield City Council considers approving the attached Resolution amending the Contract for Private Development with Big Ten Residential for Lot 5 development deadline extension.

Summary Report:

The City of Northfield executed a contract for private development with Big Ten Residential, LLC on May 17, 2016 for the development of the Crossings Site. The developer requested acquisition of the city-owned “Lot 5” property as part of the development agreement. “Lot 5” is on the Northeast corner of the State Highway 3 and 2nd Street West intersection.

Section 4.3 of the Contract for Development states that Future Commercial Improvements on Lot 5 must commence on or before December 31, 2018 and be completed on or before December 31, 2019. The Developer enters into default of the agreement if this action does not happen, and the City acquires the land from the developer.

The Developer, now known as Rebound Development Partners, LLC, has requested an extension for the commencement of future commercial improvements on Lot 5. The letter request for extension is attached to this report. At this time, the developer is requesting a two-year extension. However, the Council has not had the

opportunity to discuss further options related to the possible extension. The Council approved a three-month extension of the deadline rather than a two-year extension in order to allow the opportunity for City Council to discuss the appropriate extension duration, and the Council's options should the developer default on the contract.

The three-month extension changed the Future Commercial Improvements commencement date to March 31, 2019 and the completion date to March 31, 2020. The Developer is submitting a request for a two-year extension following the initial three-month extension.

The Developer has also proposed that after the two-year extension that the developer requests an additional two-year extension while also providing the City with \$20,000.

Representatives from Rebound, Brett Reese, Scott Koester, and Chris Kennelly, presented their proposal to Council at the work session.

Alternative Options:

The City Council has the alternative option to decline the request and propose a separate extension deadline or decline to amend the contract. If the contract is not amended, the City will regain ownership of Lot 5 through default of the agreement.

Financial Impacts:

Should the City Council take no action to approve a deadline extension, the City of Northfield will acquire ownership of the Lot 5 property from the developer at no cost.

If the Developer fails to meet the two-year extension deadline, the City would receive \$20,000 for a second extension for two-years.

Tentative Timelines:

- Certificate of Commencement for Lot 5 improvements: March 31, 2021
- Certificate of Completion for Lot 5 improvements: March 31, 2022