



## Legislation Details (With Text)

**File #:** Res. 2018-136      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 11/26/2018      **In control:** City Council  
**On agenda:** 12/11/2018      **Final action:**  
**Title:** Consider Resolution Amending Lot 5 Contract Extension Agreement.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. 1 - Resolution, 2. 2 - Amendment to Development Agreement, 3. 3 - Extension Request Letter 10.26.18, 4. 4 - Assignment and Assumption Agreement 3.15.18, 5. 5 - Warranty Deed 3.19.18, 6. 6 - Lot 5 Site Map, 7. Executed Contract for Private Development - Resolution 2016-053

Date	Ver.	Action By	Action	Result
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**City Council Meeting Date:** December 11, 2018

**To:** Mayor and City Council  
City Administrator

**From:** Mike Ericson, Interim Community Development Director  
Nate Carlson, Economic Development Coordinator

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 2<sup>nd</sup> 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 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. At this time, a three-month extension of the deadline rather than a two-year extension would allow the opportunity for City Council to discuss the appropriate extension duration and the Council's options should the developer default on the contract.

A three-month extension would change the Future Commercial Improvements commencement date to March 31, 2019 and the completion date to March 31, 2020. The letter details why Rebound is requesting an extension.

**Alternative Options:**

The City has the following alternatives:

- Approve the Resolution for a three-month extension
- Take no action, which causes the developer to default on the contract

**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.

**Tentative Timelines:**

- Approval of deadline extension for Lot 5 improvements: December 11, 2018
- Certificate of Commencement for Lot 5 improvements: March 31, 2019
- Certificate of Completion for Lot 5 improvements: March 31, 2020
- Tentative Council Discussion - January 15 worksession.
- Tentative Council Approval - January 22 regular meeting.