



## **COUNCIL WORK SESSION**

**Tuesday, June 4, 2019**

**6:30 p.m.**

**Coon Rapids City Center**

**Conference Room 1**

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### **Call to Order**

Pursuant to Minnesota Statute 13D.04, subd. 2, the City Council will meet in work session to discuss the following:

1. Port Riverwalk Update

### **Other Business**

### **Adjourn**



## City Council Work Session

1.

**Meeting Date:** 06/04/2019

**Subject:** Port Riverwalk Update

**From:** Matt Brown, Economic Development Coordinator

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### INTRODUCTION

Staff would like to provide an update on Centra Homes' Port Riverwalk development and associated public improvement projects.

### DISCUSSION

The Council and HRA will consider a couple items related to the Port Riverwalk project on Tuesday--an amendment to the purchase agreement with Centra Homes and a bid authorization for public street and utility work associated with the project. A contract award for improvements to Coon Rapids Boulevard in this area is also on the Council agenda. The Council previously approved a site plan and plat for Centra Homes' 136-unit detached townhome development on the site. The HRA approved the original purchase agreement with Centra Homes in June 2018. That purchase agreement and associated development agreement established that Centra would purchase the land from the HRA and be responsible for demolition of existing infrastructure and grading of the site. The City would then install all new public streets and utilities using pooled tax increment funds. Centra would install all private drives and utilities. Tax increment generated by the new development would be used to repay the City for its initial acquisition of the site. Future Council actions related to the project include approving a final development agreement and awarding contracts for the infrastructure work.

Both the public and private components of the project are progressing. Overall, the schedule is slightly delayed, in part because of the timing of resolving various title issues. Staff believes that the HRA will be able to deliver clear title to the property this summer. Therefore, the amendment to the purchase agreement extends the closing date from June 14 to August 15. The amendment also addresses a reduction in sale price of the land from \$2,000,000 to \$1,622,000. Centra has proposed this change because the number of lots was reduced from 145 when the purchase agreement was first negotiated to 136 today. Staff believes this reduction is justified, since it corresponds directly to the reduction of lot revenue to the developer. While estimates for both public and private construction costs have increased, Centra has indicated that they are prepared to absorb the increases for private development costs.

Both Staff and representatives of Centra believe that it is important to have portions of the infrastructure completed in 2019 and that several finished lots are available for house construction by the end of this construction season. Therefore, the bid authorization on Tuesday's Council

agenda includes mass grading of the site in order to keep options open for moving this project forward. While the development agreement establishes that Centra Homes is ultimately responsible for grading, the broader bid authorization would allow the City to complete portions of the grading work prior to closing and be reimbursed by Centra. This would ensure that the project stays on schedule even if resolution of title issues delays the closing to late summer. This arrangement is addressed in the purchase agreement amendment that will be considered by the HRA.

**RECOMMENDATION**

Staff requests feedback from the Council and is available to answer any questions prior to Tuesday's Council and HRA meetings.

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