

## Staff Report

**REQUEST FROM RANDALL CORPORATION FOR THE CITY TO PAVE THE  
PORTION OF THE GRAND AVENUE EXTENSION**

September 10, 2010

**BACKGROUND:**

The Randall Corporation has made application to the City to further subdivide the Grand Aspen Subdivision (Attachment I) and the Aspen Ridge Subdivision (Attachment II). Grand Aspen is to be divided into six lots which will include three developable lots, two outlots, and one right-of-way lots. Aspen Ridge is to be divided into five lots with four developable lots and one outlot. **In order to approve the proposed subdivisions, the lots must have frontage on City street right-of-way. As proposed, both subdivisions rely on access to an existing private driveway that serves the Coldwater Golf Course, which does not satisfy the City subdivision requirement as a public right-of-way.**

As you might recall, over the years the responsibilities detailed in a developer agreement between the City and the Randall Corporation have been renegotiated many times in order to facilitate the development of their property on both sides of the private driveway. However, while individual responsibilities have changed over time, the ultimate cost to each party has remained as originally proposed.

**The challenge facing the City staff and Developer is a provision in the existing developer agreement that does not require the City to accept ownership of the right-of-way for the proposed extension of Grand Avenue south through Coldwater Golf Course and Grand Aspen Subdivision to S. 16<sup>th</sup> Street until the City has secured federal financing to build the project. Until this occurs, a "negative easement" exists whereby the Developer cannot construct any building or improvement on the easement area and no public road will be built. Without access of all the proposed lots to a public right-of-way, the subdivisions cannot be approved.**

**The Developer has informed the City they would like to proceed with developing their properties and have an opportunity to proceed immediately with an apartment project on Lot 1 of Grand Aspen. The Developer is requesting that the City consider accepting the road right-of-way and paving the section of the proposed Grand Avenue extension adjacent to Grand Aspen and Aspen Ridge subdivisions as soon as possible (Attachment III). The current estimate for this unbudgeted project is \$400,000. In order to facilitate this request the developer agreement should be modified and a funding source for the street project should be identified. In addition, the Developer is requesting the agreement with the City to be modified to allow for an additional curb cut for the Aspen Ridge subdivision off of S. 16<sup>th</sup> Street.**

## **STAFF COMMENTS:**

### **In Support of this Request:**

- Expanding the tax base is a priority for this City Council. The paving of this street segment will expand the tax base by opening up for development 3 lots and 11.54 acres for High Density Residential uses and 4 lots and 5.14 acres for Highway Oriented Commercial uses.
- The further development of these two subdivisions is being held up until federal funding can be secured for the total Grand Avenue Extension. It appears that federal funding from Congressionally directed monies for this project will take longer than first anticipated. Although agreed to by both parties in our developer agreement, the Council will have to decide whether this type of lengthy delay is fair to the Randall Corporation.
- The Developer has fulfilled their obligations for street and bike path improvements stipulated in the developer agreement.
- The Developer is not asking the City to assume any additional financial responsibility. Rather, what is being asked is for the City to begin the construction of a portion of the street project earlier than previously agreed to.
- The staff has identified a strategy to accomplish this street project without raising taxes or reducing fund balances. Favorable bids for a number of capital improvement projects have resulted in savings in bond proceeds that could be redirected to this street project.

### **In Opposition of this Request:**

- There is no assurance that once the investment is made by the City that development of the 7 lots in both subdivisions will occur in a timely fashion or that all of the development will be taxable.
- The savings identified from capital improvement projects to support this unbudgeted street project could be directed to another higher priority project of the City Council (for example, a sewer extension to the east of Highway 35).
- The development of the 16.68 acres in both subdivisions facilitated by the paving of the Grand Avenue extension could cause traffic problems, because there is only one eastbound lane on S. 16<sup>th</sup> Street (Attachment III). This situation would not adequately accommodate left turning traffic off of S. 16<sup>th</sup> Street into the two subdivisions. The federal funding request for this project includes monies to create a turning lane along S. 16<sup>th</sup> Street. The Council could require the developer to pave the extra lane to the south of S. 16<sup>th</sup> Street to help alleviate this problem should the Council agree to accelerate the construction of the Grand Avenue street segment.

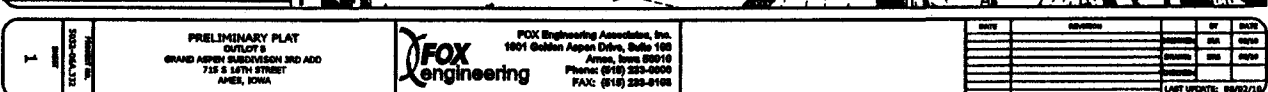
- If the City paves the portion of the proposed S. 16<sup>th</sup> Street as requested, it will forfeit the opportunity to have the federal government pay a percentage of this project once an federal earmark is received.

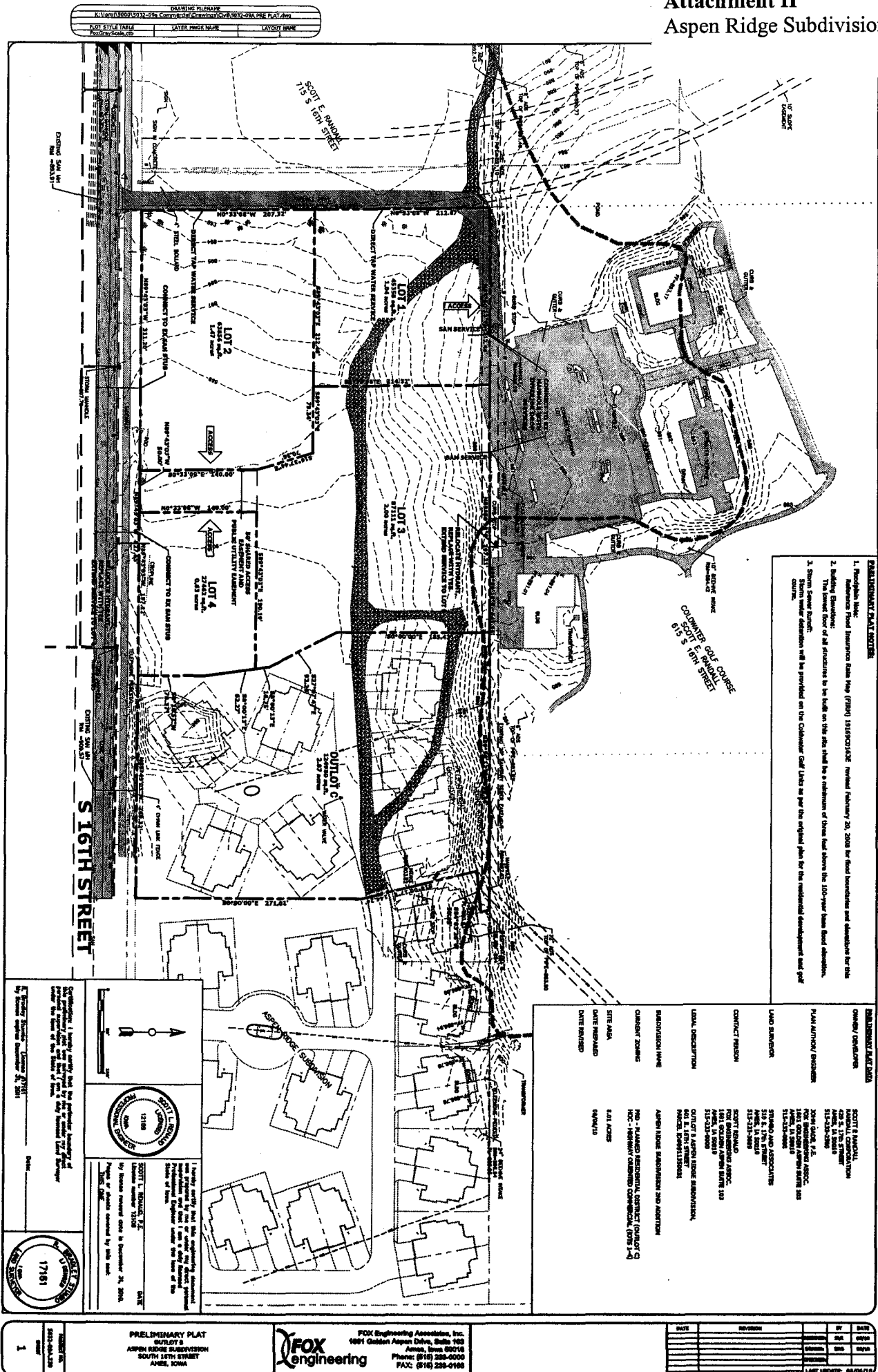
#### **NEXT STEPS:**

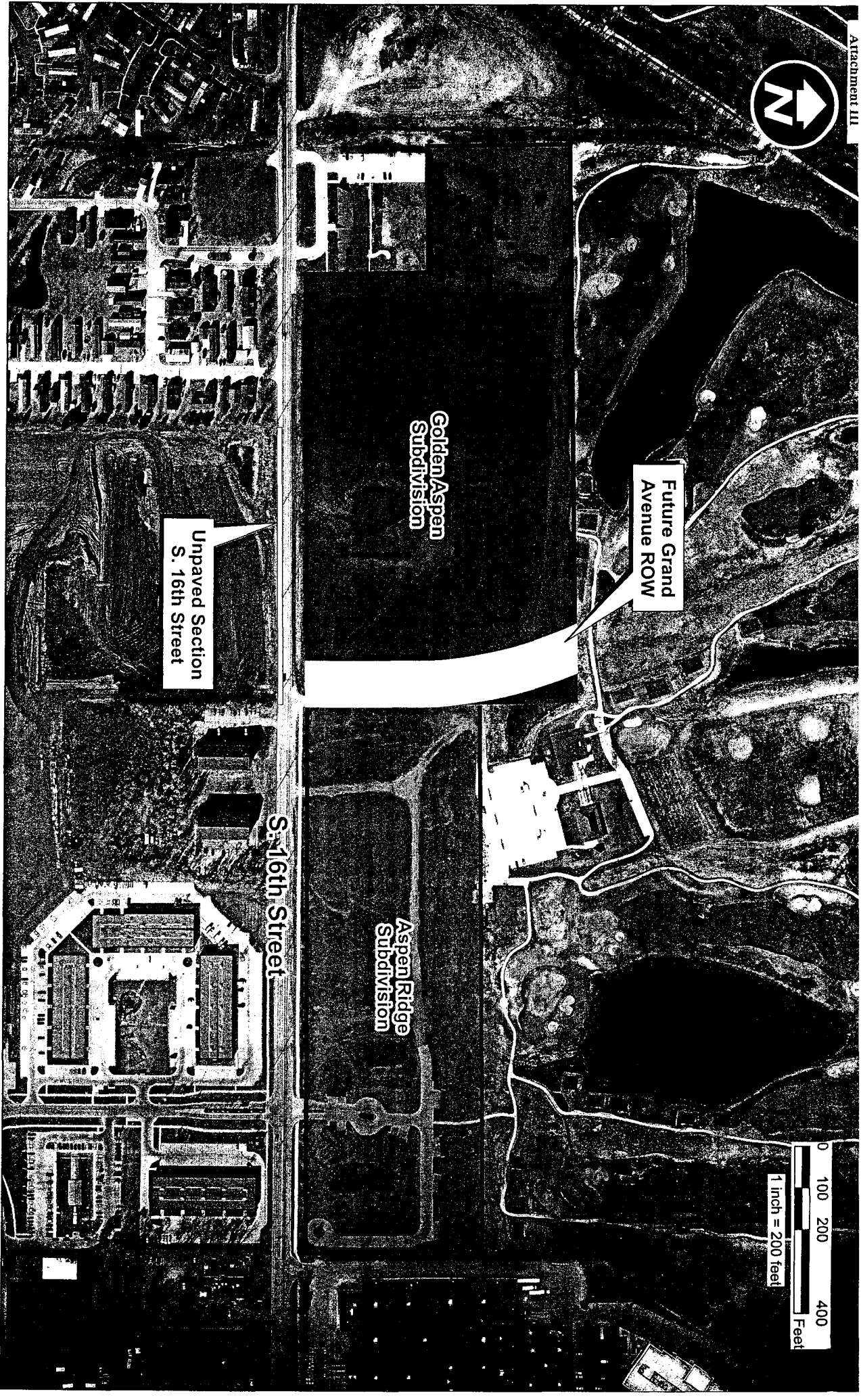
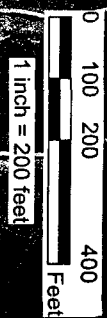
If the City Council is supportive of this request for the City to pave the portion of the Grand Avenue extension as soon as possible, then the staff should be directed to work with the Randall Corporation to amend the developer agreement and bring it back for Council approval along with funding proposal for the project. Obviously, the soonest that this project could be designed and ready for construction would be in the Spring of 2011.

Another possible option would be for the City to accept the right-of-way and allow the existing pavement to serve as the public road until federal funding is secured to construct the Grand Avenue extension. Since the existing entryway does not meet the City's current subdivision standards, the Council would have to waive these street standards. Given the amount of traffic that could be generated from the seven lots, the reliance on this existing surface as a City street is not advisable.

If the Council does not support the request from the Randall Corporation and chooses to retain the provisions of the existing developer agreement, the applications for subdivision will be processed and brought before the Council in the near future with the recognition that staff support cannot be forthcoming without the dedicating of the right-of-way and paving of the public road to City standards.







Golden Aspen  
Subdivision

Future Grand  
Avenue ROW

Unpaved Section  
S. 16th Street

Aspen Ridge  
Subdivision

S. 16th Street