



MEMORANDUM

DATE: April 12, 2021

TO: Honorable Mayor and City Councilmembers
Dave Perrault, City Administrator

FROM: Jane Kansier, AICP, Consulting Planner

SUBJECT: PC21-004 – Development Agreement and Memorandum of Understanding with Kensington Development for Construction of Temporary Traffic Signal

Budgeted Amount:
N/A

Actual Amount:
N/A

Funding Source:
N/A

Council Should Consider

Motions to approve, table, or deny the following:

- A Development Agreement with Kensington Development to allow the developer to construct improvements on Lexington Avenue in the event certain milestones are not met
- A Memorandum of Understanding with Ramsey County to allow Kensington Development to construct improvements on Lexington Avenue in the event certain milestones are not met

This items requires a simple majority.

Background

At its April 7, 2021 meeting the Planning Commission held a public hearing to consider an amendment to the approved a Master Planned Unit Development and Site Plan Review for a proposed project at 3787 Lexington Avenue. This development includes the demolition of the existing building to accommodate a 43,000 square foot grocery store. This item will come before the City Council on April 26, 2021.

A key component to the success of this property is the scheduled improvements to Lexington Avenue, specifically the traffic signal at the Target intersection. Ramsey County has scheduled this project for construction in 2022. Although the County is confident the project will be

completed as scheduled, the Developer is looking for assurance the traffic signal will be installed and operational by the time the grocery store is scheduled to open (October, 2022). In order to do this, the developer is requesting the City enter into a Development Agreement with them that would allow the developer to install a temporary signal, at the developers' cost, if the County fails to award a contract for the construction of the project by February 1, 2022. The County does not enter into development agreements with private developers, so they have requested the City enter into a Memorandum of Understanding (MOU) with the County. The MOU allows the City to authorize the developer to complete the improvements.

The development agreement and MOU are intended to provide some assurances to the developer that certain improvements, especially a traffic signal will be installed. The developer will be responsible for all costs associated with this work, including permits, design and construction. We are bringing this item forward before the PUD/Site Plan Review because the developer needs the agreements in place before May 3, 2021. If the City Council approves these agreements, we will forward the MOU to the County for action.

Options and Motion Language

Staff has provided the following motion language for this case.

1. Recommend Approval: Motion to approve a Development Agreement with Kensington Development to allow the developer to construct improvements on Lexington Avenue in the event certain milestones are not met and to approve a Memorandum of Understanding with Ramsey County to allow Kensington Development to construct improvements on Lexington Avenue in the event certain milestones are not met.
2. Recommend Denial: Motion to deny a Development Agreement with Kensington Development to allow the developer to construct improvements on Lexington Avenue in the event certain milestones are not met and to approve a Memorandum of Understanding with Ramsey County to allow Kensington Development to construct improvements on Lexington Avenue in the event certain milestones are not met.
3. Table: Motion to table a Development Agreement with Kensington Development to allow the developer to construct improvements on Lexington Avenue in the event certain milestones are not met and to approve a Memorandum of Understanding with Ramsey County to allow Kensington Development to construct improvements on Lexington Avenue in the event certain milestones are not met.

Budget Impact

NA

Attachments

- A. Location Map
- B. Development Agreement
- C. Memorandum of Understanding