

To: **Mayor and City Council**  
Through: **Ryan Schroeder, City Manager**  
From: **Jim Hartshorn, Community/Economic Development Director**  
Date: **February 08, 2021**

## **Subject: Crawford Drive - EDA Property Purchase Discussion**

### **BACKGROUND INFORMATION:**

Last spring, the EDA purchased the remaining 1.5 acres of vacant property located along Crawford Drive from Sherman Associates for \$370,000. The intent was to sell the land to a town home developer and complete the town home project that was started several years ago. The attached map shows the area where 16 additional town homes would be located.

In 2020, Dakota County purchased a 30-foot easement area on the north end of the property (attached map) for the River-to-River trail construction for \$125,000. The County is also using some of the north end property for a staging area for the trail and tunnel project, which will last throughout 2021.

Last August, the EDA entered into a Permanent Ingress and Egress Easement with the current Home Owners Association (HOA) allowing a new developer access to finish the town home project. The HOA has also agreed to allow the new development to join their associated.

Staff reached out to several developers, but only one made an offer for the property. David Pattberg, President of Centra Homes, offered \$320,000 (\$20,000 per lot X 16 lots).

In addition to purchasing the property and constructing new town homes, the developer would also:

- Repair retaining walls
- Install remaining perimeter fencing per development plans
- Repair damaged curb on the private roads
- Install final lift of asphalt on the private roads
- Complete landscaping for the neighborhood (irrigation, sod and trees)
- Estimate of additional work is \$200,000

The estimated market value of 16 new town homes would total approximately \$5M. The new estimated annual tax base is \$60,000. There were no public subsidies requested.

Options Include:

1. Sell the property to Crawford Homes for \$320,000.
2. Hold the property for another year until the HyVee and trail projects are completed and possibly sell for a higher amount. This assumes that townhomes located next to a HyVee store and bike trail would have a higher market value.

If the Board chooses to go with the first option, then staff will bring back a formal purchase Agreement and schedule a Public Hearing for February 22, 2021.

**FISCAL IMPACT:**

		<b>Amount</b>
<b>Fund:</b>		<b>Revenue of \$320,000 back into the EDA Fund</b>
<b>Department:</b>	<b>EDA</b>	
<b>Account:</b>		

**STAFF RECOMMENDATION:**

Review options and direct staff.

**ATTACHMENTS:**

1. Letter from David Pattberg, Centra Homes
2. Site Layout
3. Town Homes Drawing I
4. Town Homes Drawing II