



Memorandum

To: Carey Smith, City Manager

From: Bill Meyer, Planning & Development Director

**Subject: Request for Third Amendment to Project Standards Agreement –
The Woodlands Subdivision**

Date: October 1, 2009

We have received the attached request from Skip Tuttle of Woodlands Development, LLC to amend the terms of the existing project standards agreement originally approved by City Council in 2006, and subsequently amended in January 2008 and October 2008.

As you may recall, the first amendment approved by City Council in January 2008 allowed for a reduced minimum square footage of 1,775 square feet for up to 10% of the single family homes to accommodate a ranch floor plan, with no change to the minimum home price.

This second amendment approved in October 2008 modified both the minimum home price and size, based on the changed economic circumstances and the anticipated entry of an additional builder to the project. The second amendment allowed for up to 30% of the homes to be less than the original minimum of 2400 square feet, and up to 30% of the homes to sell for less than the original minimum of \$235,000. However, the second builder anticipated in the October 2008 amendment did not ultimately choose to enter this market.

With an additional year to absorb the impacts to the single family marketplace, the developer has pointed out that prices have dropped, and the changes in the credit market have reduced the buying power of potential purchasers. Many observers have noted that the events of the past couple of years have changed the psychology of the marketplace as well, with people scaling back purchases based on their needs rather than their wants.

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The intent of this latest proposal (attached) is to protect the existing homeowners and original intent of the agreement, while considering these significant changes that have taken place in the market. The crux of the proposal is as follows:

- Retain all of the original quality standards for the home construction and neighborhood development.
- Retain the 2400 square foot minimum house size for the 50 lots in the area of the existing homes in the subdivision (shown in blue on the attached map).
- Modify the minimum house size for the other 89 lots to 1700 square feet for a 1 story home, 1800 square feet for a 1 ½ story home, and 1900 square feet for a 2-story home.
- Eliminate the minimum price criteria for the homes.

From our perspective, the quality standards are the most important factor in protecting the existing homeowners and maintaining the original intent. In addition, the original minimum square footage that will still be required in the vicinity of the existing homes will provide additional assurance. While the overall size and value of the remaining homes may be smaller than originally anticipated, it is interesting to note that many of the City's most stable subdivisions have a significant spread in size and value of homes. The important factor is quality, location and amenities, which are all strong points of this development.

In considering the changes over the past two years, restructuring this agreement to allow compatible home construction to continue seems preferable to having the project sit dormant waiting for a market segment that may not return for several years. Therefore, we recommend approval of this amendment.

EXHIBIT II

Project Standards:

The property is proposed to be developed with 141 single-family detached homes, 110 single-family attached homes, and an elementary school. Typical lot width for the single-family detached lots is 70' and the overall density is 2.3 units per acre. The proposed layout includes a site for a much-needed elementary school in a high-growth area and preserves a considerable amount of open space. The developer is willing to commit to the following development standards:

- The site will not be mass graded and house plans will be chosen with the goal of saving as many of the existing mature hardwood trees as possible. Trees will be re-planted where topography requires removal of existing trees.
- There will be 15-20 different house facades with a variety of materials available. The predominant façade materials will be brick and stone. Elevation drawings of the proposed houses have been submitted and are attached for review.
- Homes will be built on a brick foundation no less than 18 inches above ground on the front elevation.
- Garages will be trimmed out with horizontal and/or vertical surrounding details.
- The single family detached homes in the blue areas on the attached plat will be a minimum of 2400 square feet. The single family homes in the yellow areas on the attached plat will be a minimum of 1700 square feet for a 1-story (ranch), 1800 square feet for a 1 ½-story, and 1900 square feet for a 2-story plan.
- ~~— will range from 1,775 square feet to 3,500 square feet or more, with a minimum of seventy percent (70%) of the homes having a minimum of 2400 square feet. In addition:~~
 - ~~o Up to thirty percent (30%) of the homes may be less than 2400 square feet;~~
 - ~~o Up to twenty percent (20%) of the homes may be less than 2000 square feet;~~
 - ~~o And up to ten percent (10%) of the homes may be ranch plans only of between 1775 and 1800 square feet.~~
- ~~—The single family detached homes will sell in a range from \$190,000 to \$340,000 or more, with a minimum of seventy~~

~~percent (70%) of the homes selling for a minimum price of \$250,000. In addition:~~

- ~~o Up to thirty percent (30%) of the homes may sell for less than \$250,000;~~
- ~~o Up to twenty percent (20%) of the homes may sell for less than \$225,000;~~
- ~~o And up to ten percent (10%) of the homes may sell for between \$190,000 and \$200,000.~~
- ~~o The single-family attached homes will be priced at \$140,000 and higher and will be adjacent to the school site.~~

- The open space areas are accessible from the streets and sidewalks will be provided on all streets.
- An amenity center will be constructed that includes a pool, clubhouse, and playground.
- A new collector road connecting to Twin Lakes Road will serve the development and is stubbed out to the adjacent property for future extension toward India Hook Road. The collector road will include a roundabout to slow traffic in front of the school site and no driveways will connect to the collector road.
- An additional stub-out will be provided on the south side of the property for future connection to the adjacent property.
- The intersection of Twin Lakes Road and Mt. Gallant Road will be widened for turn lanes, and signalized.