

REVIEW LETTER
RIVERSTONE (A.K.A. PEARSON FARM)
BUNKER LAKE, PUMA ARTERIAL INFRASTRUCTURE EXTENSION

Questions From EDA Meeting - 3/9/17

1. If Puma was not completed all the way to Alpine, would this be the same situation as when the infrastructure for the proposed school was left well short of the school's platted boundary? *Bunker Lake Road ("BLR") was not built to Puma, which was the edge of the platted property.
 - a. No, all of the school property was being platted which should have forced Bunker Lake Road to be fully extended to the limits of the plat (to Puma). In this current situation, we are building infrastructure ahead of the land being platted.
2. How would Capstone feel about going to 50/50 split on Puma?
 - a. Capstone Homes has no street frontage on BLR, but Capstone has still offered to contribute up to 16% of the cost there. That portion of BRL should have been extended previously when Hagemen Holdings platted their property. This has put the Pearson family in a difficult situation. It is possibly the 16% Capstone contribution could instead be allocated to the cost of Phase 1B of Puma. This would put the total contribution by Capstone (Puma Phase 1B) at 53%.
In addition, past city practice has been to use a 60/40 split for properties related to the business park (half of the property along Puma is business park). The 60/40 split allows Capstone the flexibility to contribute to the cost of Bunker Lake Road, or Capstone can move this funding to Puma. Either way works.
3. Shouldn't the 60/40 include the water and sewer infrastructure costs?
 - a. No, the trunk fees are set up to pay for this. Capstone will pay approximately \$842,082 (today's dollars) to trunk water and sewer fees over the life of this project, based on 293 units.
4. Has the 60/40 split previously been used for a residential area?
 - a. No, residential developments fund 100% of all internal neighborhood roads, while collector roads are primarily funded by the municipalities. However, in this case Capstone is offering to contribute up to 40% of the total cost (plus 16% of BLR) which Capstone has not done in past practice.
5. Is Capstone prepared to move forward if the proposal is approved?
 - a. Yes, Capstone is confident in this proposed neighborhood, given the demand for this type of housing. We are well financed and prepared to develop this land.
6. Can the assessment payoff schedule be strengthened or shortened?
 - a. Yes, the assessment can have minimum pay off amounts for each year. The payment is not required to be deferred. Capstone proposes to make minimum equal payments on an annual basis, over 10 years, starting the year the assessment is certified.
7. Why should the city consider this investment?
 - a. We believe that 300 additional rooftops in Riverstone is exactly what the COR needs to achieve its intended commercial/retail component goals. Adding 1,000+ residents nearby the COR will give this area a significant boost. The side benefit to helping the COR, is that the added infrastructure to the business park area, will need to be built at some point anyway. Building it now gives it the business park the marketability that it needs. This will be a unique residential community given the amenity, product offering, and location within the city of Ramsey.
8. Are we "leapfrogging"?
 - a. No, this proposed neighborhood is adjacent to an existing platted property. We are not skipping over a large area of rural land to reach our land. The city has designated the land to the east to be business park. If the business park takes 15 – 20 years to develop, Capstone and the Pearson's would have to wait much too long for "orderly" development to occur.