

ITEM #: 12
DATE: 02-24-26
DEPT: P&H

COUNCIL ACTION FORM

SUBJECT: LAND PURCHASE OPTION FOR SURPLUS LAND AT HARRISON AND WELBECK - AMENDMENT TO EXTEND FINAL PLAT DEADLINE

BACKGROUND:

On [May 27](#), the City Council held a public hearing to approve an option agreement with Keystone Equity Group (KEG) for the purchase of surplus City land located west of the intersection of Harrison Road and Welbeck Drive (see Location Map). The agreement requires that, prior to completion of the sale of the land, a development agreement must be approved for the construction of 12 owner-occupied homes on the property and approval of state Workforce Housing Tax credits for the project must be obtained.

In addition, the agreement required that the developer must complete all entitlements for development of the 12-unit project, including Final Plat approval by December 31, 2025. However, the City Council approved an amendment on December 16 extending the deadline to February 28 as the developer completed the entitlement process.

City Council approved the preliminary plat and first reading of an ordinance rezoning the site to RL-O-PUD on January 27, 2026. The third reading of the rezoning ordinance is on the February 24 agenda.

City staff has been working with the developer to finalize a development agreement and final plat documents. The final plat documents have not yet been submitted for review and approval. **The developer has requested additional time to complete all requirements related to preparing the final plat and the development agreement.**

Although staff has been working with the applicant to complete this process as planned, the final legal documents are not yet complete. Extending the deadline for Final Plat approval to March 31, 2026, approximately 30 days, is needed for the project to move forward as planned. The Developer has invested substantially in seeing this project through and is agreeable to this timeline to complete the project.

ALTERNATIVES:

1. Approve the attached amendment to the Option Agreement extending the deadline to March 31. Note the developer will need to fully execute the Option Agreement to allow for it to be recorded.
2. Make modifications to the timeline and approve the amendment to the Option Agreement.
3. Deny approval of the amendment to the Option Agreement and maintain the deadline of Final Plat approval of February 28, 2026.

CITY MANAGER'S RECOMMENDED ACTION:

The extension is needed to fulfill the original terms of the Option Agreement steps for approval of a project and the sale of the property. Initially, the award of state tax credits was delayed beyond the anticipated timeframe of notice that was contemplated with the original option agreement causing some delay for the developer to proceed. The developer has submitted development plans consistent with the agreement, and received approvals of the preliminary plat, but the final plat and development agreement cannot be approved in the agreement's timeframe. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 1, as described above.

ATTACHMENT(S):

[Location Map.pdf](#)

[Second Amendment to Option Agreement Harrison Pointe 20260218.pdf](#)