



REQUEST FOR ACTION

Economic Vitality Funding for a Sanitary Sewer Extension to Serve Pebble Creek and Westbury Residential Subdivisions

MEETING DATE:

July 6, 2026

ORIGINATING DEPT:

Community Development

AGENDA SECTION:

Consent Agenda

PRESENTER:

Taryn Edens

Action Requested:

Approving up to \$137,000 in Economic Vitality funding for a sanitary sewer extension to serve Pebble Creek and Westbury residential subdivisions.

Report Narrative:

Community Development is requesting to use up to \$137,000 in Economic Vitality (sales tax) funding to support the installation of a sanitary sewer extension, including deeper installation of planned pipe segments, needed to serve the Westbury and Pebble Creek residential subdivisions. Reimbursement will be based on actual construction costs, not to exceed \$137,000.

Westbury, proposed by Bigelow Homes, will deliver approximately 219 for-sale homes. Pebble Creek, developed by Lennar, is part of a larger master-planned community anticipated to include 950+ homes across multiple housing types. This extension will connect an existing but unconnected sanitary segment in Gatehouse Drive and requires installing a new eight-inch sewer pipe and placing a portion of the planned pipe at a deeper elevation.

Completing this work will enable approximately 60 additional Pebble Creek lots to move forward this year rather than waiting for future trunk line extensions not yet scheduled in the City's Capital Improvement Plan.

During prior Council actions on April 7, 2025, and October 20, 2025, related to the Home Ownership Creation Program, staff noted that \$18 million of Economic Vitality funding was planned for Infrastructure Investment to support housing. The current request is consistent with that allocation framework.

Priorities & Foundational Principles:

Housing Access

Inclusive Growth Management

Policy Considerations & DEI Impact:

The City strives to promote and provide diverse and affordable housing options for residents. The City of Rochester's Economic Vitality funding supports housing creation and this action supports a residential subdivision receiving Home Ownership Creation Program funding. These funding sources addresses these goals by supporting the creation and development of owner-occupied housing.

Funding awards will support the overall policy goals of the Home Ownership Creation Program as outlined below:

- Support the development of owner-occupied affordable housing - 2025 Olmsted County Housing Needs Assessment
- Focus and drive Housing Access - City Council Priority
- Support all people having fair and equal access to adequate, affordable housing, now and in the future - Comprehensive Plan: 2040 Plan To Succeed

This program supports the community alignment of diversity, equity, and inclusion through furthering socioeconomic equity. The Olmsted County Housing Needs Assessment identified several housing gaps in our community, one being the need to create more owner-occupied housing units.

Though many solutions are needed to support our housing needs, the creation of owner-occupied units builds wealth for generations to come. The potential negative impact on socioeconomic equity of this program is the possibility of funds not being used to benefit the end users. To mitigate this risk, funding agreements with the Westbury subdivision receiving Home Ownership Creation funding enters into a funding agreement, resulting in assurances of completion in order to receive said funding. Additionally, the City Owner contract memorializes the City and Owner responsibilities to ensure facilities are installed, and certain milestones are met by both parties to ensure adequate completion.

Prior Legislative Actions & Community Engagement:

December 6, 2021: Council Meeting - 2022-2025 Affordable Housing proposed investment initiatives approved.

February 23, 2022: Council Meeting - Fee Reimbursement Pilot Program authorized.

April 22, 2024: Council Meeting - Home Ownership Creation Program authorized.

June 10, 2024: Study Session - Economic Vitality Update.

July 15, 2024: Council Meeting - Home Ownership Creation Program - Prairie Ridge approved.

September 30, 2024: Study Session - Sales Tax Update.

April 7, 2025: Council Meeting - Home Ownership Creation Program - Westbury approved.

September 29, 2025: Study Session - Sales Tax Update.

October 20, 2025: Council Meeting - Home Ownership Creation Program - London Brook Ponds approved.

Fiscal & Resource Impact:

Funding will be reimbursed by invoice from the developer's representative. The design for this work has already been completed, and the work has begun. The amount to be reimbursed will not exceed \$137,000 and reflects the true costs of work. The Economic Vitality Fund is the funding source for this program.

Alternative Action(s):

No alternative actions are suggested at this time. Denial of proposed funding results in a delay in supporting the creation of owner-occupied units.

Prepared By:

Taryn Edens

Attachments:

[Resolution - Funding for a Sanitary Sewer Extension](#)