



Agenda Commentary

Item Title/ Subject: Robinson Plat / Lot sales

Staff Source: City Manager, Steve Hewitt

Date: March 15, 2013

Background/Subject Information:

Robinson Addition is currently under construction. 42 Lots. Infrastructure costs are estimated \$425,000-450,000. Cost of property is \$100,000. Staff has been approached by builders who want to purchase and/or develop lots now during our construction. Our construction should be wrapped up within 120 days, with minimal issues or delays.

This request isn't unreasonable. However, we need to look at cost per lot. \$550,000 divided by 42 lots is \$13,000 per lot.

Builders have told me if we want this development to create housing energy, the prices should be closer to \$10,000.

Recommendation:

Staff recommends \$10,000 per lot. Create energy and a new market of housing. City will benefit from sales tax and utilities to fund the gap. We recommend consistent pricing, no price difference for possibly larger or more attractive lots.

Price/Cost: **Economic Development Fund**