





# Memorandum

To: City Council  
From: Bart Olson, City Administrator  
CC:  
Date: October 23, 2025  
Subject: Project Cardinal – PUD agreement and Annexation Agreement  
Changes between the October 14<sup>th</sup> and October 28<sup>th</sup> City Council meetings

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## Summary

Review of changes to the PUD agreement and Annexation Agreement for Project Cardinal, as shown in the October 14<sup>th</sup> and October 28<sup>th</sup> City Council meetings.

## Background

This item was last discussed by the City Council at the October 14<sup>th</sup> meeting. At that meeting, the City Council reviewed the packet materials which included the annexation agreement and PUD agreement for Project Cardinal, and then heard a verbal summary of both agreements. Since then, the City Attorney and the Project Cardinal Attorney have agreed upon some changes to the agreements that would better effectuate the contingent approvals proposed for this development.

In general, the City Council has heard from staff that we anticipate City Council approval of the Project Cardinal annexation agreement and PUD agreement documents contingent on the developer agreeing to substantial utility and infrastructure funding commitments (the utility & infrastructure agreement) and development contributions to the community (development agreement) before a deadline of July 1, 2026. As of last meeting, City staff contemplated this to be administered by the City Council approving all four ordinances shown on previous City Council agendas as (1) authorizing the PUD agreement, (2) authorizing the annexation agreement, (3) authorizing annexing, and (4) authorizing rezoning. The City staff expected votes on all four documents, with all four held without mayoral signature by the Mayor until the utility & infrastructure agreement and the development agreement were approved by the City Council at a meeting sometime prior to July 1, 2026, and until the developer closes on the land from the seller. After a discussion with the developer team this past week, we are now recommending the following process, whenever the City Council votes on the project:

- 1) The City Council would approve the ordinance authorizing the PUD agreement and the ordinance authoring the annexation agreement. The Mayor would sign both documents. Both documents are contingent on the utility and infrastructure agreement and the development agreement being approved in the future, as well as the land closing.
- 2) The City Council would defer a vote on the ordinance rezoning the property and the ordinance annexing the property, until after the utility and infrastructure agreement and the development agreement are agreed on by both parties, and after the land closing. At the next meeting after the land closing (assuming the utility and

infrastructure agreement and the development agreement have been mutually approved), the City Council would vote on the ordinance rezoning and the ordinance annexing. After the annexing and rezoning ordinances are approved, all City Council approved documents would be recorded against the land and would be final.

As a result of the change in process above, the following agreement changes have been made since the October 14<sup>th</sup> City Council meeting and are shown in track changes formatting in the packet:

### Annexation Agreement

- 1) Section 2. Annexation
  - a. Clarifies that the developer will submit a simple petition to the City after the land closing, which identifies the new landowners and serves as the basis for the City Council to vote on the ordinance annexing the property. This language demands the City to approve the annexing ordinance at the next meeting after the petition has been submitted.
- 2) Section 3. Conditions of Annexation
  - a. Changes the language that had the City Council approving the ordinance annexing and the ordinance rezoning “conditioned upon” execution of the ancillary agreements (i.e. the utility and infrastructure agreement and the development agreement) to simply stating the ordinance annexing and the ordinance rezoning will be done at the same time in the future (as stipulated in Section 2).

### PUD Agreement

- 3) Section 1.3 Zoning
  - a. Language change to reflect that the City Council is not approving the ordinance annexing and the ordinance rezoning now, and the property will be annexed as provided in the annexation agreement.
- 4) Section 7.11 Effective Date
  - a. All changes to this section reflect the change in process as described above. Provides more detail on the requirements to make the agreement effective, and clarifies that the developer has no recourse against the City should the utility and infrastructure agreement and development agreement not be approved.

In addition to the procedural changes described above, we have made changes to Section 7.4 G Amendments to Approved Planned Unit Development (major/minor amendments) as discussed at the October 14<sup>th</sup> City Council meeting. These changes relate to decreasing the staff authority related to increasing building square footage (decreased from 10% increase to 5% in 7.4 G 2a), clarifying all structures shall have a maximum height of 78’ (7.4 G 2b), and clarifying that changes to landscaping types and quantities refers to plant species (7.4 G 3b). Finally, there are some legal/grammar changes to the document throughout which are not described here.

## **Recommendation**

This is an informational memo on the changes to the PUD and annexation agreements. Staff recommends approval of both documents as proposed.