



## MAYOR AND COUNCIL COMMUNICATION

DATE: 1/15/2013

**REGULAR**

ITEM #: 17

**MOTION**

**AGENDA ITEM:** City Code Amendment – Construction Security Escrows

**SUBMITTED BY:** Nick M. Johnson, City Planner

**THROUGH:** Dean A. Zuleger, City Administrator

**REVIEWED BY:** Kyle Klatt, Planning Director  
Rick Chase, Building Official

### **SUMMARY AND ACTION REQUESTED:**

The City Council is asked to consider an amendment to the City Code pertaining to security escrows for construction projects. These escrows are intended to remediate construction related damage or debris on or around the construction site and other violations of the City Code. The proposed ordinance is intended to improve upon the existing ordinance (§153.022) that requires bond or cash deposit for new construction to protect streets and curbs. However, the existing ordinance falls short in that other forms of necessary remediation on construction sites, such as landscaping or grading, are not covered by the existing ordinance.

### **BACKGROUND INFORMATION:**

The issue of remediating construction related problems or concerns occurred recently with a home addition in Lake Elmo. The experience led Staff to evaluate how the ordinance requiring escrows for construction activity could be improved to better position the City to remediate a broader range of problems that may occur due to construction. More specifically, the existing ordinance only pertains to the remediation of damage related to streets and erosion control. However, if other remediation is necessary but is not related to streets or erosion control, the City would not be allowed to use the security escrow for those remediation efforts. In other words, the proposed ordinance (Ord. 08-66) is intended to remedy this shortfall.

### **STAFF REPORT:**

The proposed City Code amendment requiring a security escrow for construction activities is intended to provide the City with greater authority to remediate construction related damage or debris on a site. Such debris often can go above or outside the bounds of simply streets or erosion control. It is important for the City to have the ability to remediate damage to the

property that is under construction, the neighboring properties or City property if the builder does not take responsibility. However, in another light, the proposed ordinance also does provide the City some flexibility to reduce the amount of escrow needed if the set amount for new structures (\$5,000) is not appropriate given the scope of the project. Overall, this ordinance will allow the Staff to act in a more responsible and prudent fashion in regards to regulating building activities in Lake Elmo.

**STAFF RECOMMENDATION:**

The Staff recommends approval of the City Code Amendment by taking the following action:

*“Move to approve Ordinance 08-66, approving the City Code Amendment requiring a security escrow for the construction of new structures and other construction-related projects at the discretion of the City .”*

**ATTACHMENTS:**

1. Ordinance 08-65

**SUGGESTED ORDER OF BUSINESS:**

- Introduction of Item ..... City Administrator
- Report/Presentation.....Planning Director
- Questions from Council to Staff ..... Mayor Facilitates
- Public Input, if Appropriate ..... Mayor Facilitates
- Call for Motion ..... Mayor & City Council
- Discussion ..... Mayor & City Council
- Action on Motion..... Mayor Facilitates