



MAYOR & COUNCIL COMMUNICATION

DATE: December 15, 2015

REGULAR

ITEM # 21.b.

AGENDA ITEM: Hunters Crossing 1st Addition – Approve Security Reduction #1.

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Clark Schroeder, Interim City Administrator

REVIEWED BY: Stephen Wensman, City Planner
Cathy Bendel, Finance Director

SUGGESTED ORDER OF BUSINESS:

- Introduction of Item.....City Staff
- Report/Presentation.....City Staff
- 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

POLICY RECOMMENDER: Administration/Finance/Planning/Engineering.

FISCAL IMPACT:

It is the City’s goal to retain at all times during the subdivision improvements a security amount that is adequate to ensure completion of all elements of the improvements as protection to the City tax payers against the potential of developer default. With this reduction the remaining security amount held by the City will be \$894,649 which remains well over and above the estimate to completion for the remaining subdivision improvements.

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving a reduction in the security amount for the Hunters Crossing 1st Addition.

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

The Hunters Crossing 1st Addition developer installed improvements have been substantially completed including the installation of sanitary sewer, watermain, storm sewer, streets and sidewalks consisting of over \$1.3 million in construction costs. However, in accordance with Section 37 of the Hunters Crossing 1st Addition Development Contract, the progress for the improvements have not reached the threshold necessary to be eligible for a security reduction at this time. Due to the end of the construction season the developer will not have an opportunity to reach the necessary thresholds until next spring.

RECOMMENDATION:

If the City Council adopts a revised security reduction policy to be presented by staff at the December 15, 2015 council meeting, and further directs staff to apply the revised policy to all active developments in the City, then staff is recommending that the City Council approve a reduction in the security amount for the Hunters Crossing 1st Addition. The recommended motion for the action is as follows:

“Move to approve a reduction of the Letter of Credit for the Hunters Crossing 1st Addition from \$1,619,769 down to \$894,649.”

ATTACHMENT(S):

1. Engineer's Letter Recommending Security Reduction #2 for the Hunters Crossing 1st Addition.
2. Developer's Letter Requesting Reduction of Security for the Hunters Crossing 1st Addition.