



MAYOR & COUNCIL COMMUNICATION

DATE: January 19, 2016
CONSENT
ITEM # 9

AGENDA ITEM: Village East Trunk Utility Improvements – Approve Security Reduction.

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 *if removed from the Consent Agenda*:

- 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: 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 \$381,003.50 which remains sufficient to complete the remaining improvements.

SUMMARY AND ACTION REQUESTED:

The City Council is respectfully requested to consider approving a reduction in the security amount for the developer installed Village East Trunk Utility Improvements.

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

The developer installed Village East Trunk Utility Improvements have been substantially completed consisting of the installation of trunk sanitary sewer and trunk watermain. In accordance with Section 28.A of the Development Agreement, up to 50% of the original security, or \$381,003.50 may be released when: "(1) all utilities have been installed, all testing has been successfully completed, and the utilities are considered ready for use by the City Engineer; and (2) completion of the Improvements is done to the

satisfaction of the City and evidence of such is provided to the City in writing and satisfactory evidence of payment, such as lien waivers are provided.”

Engineering has reviewed the status of the improvements and has received lien waivers demonstrating contractor payments have been made in at least the amounts to be released. This review has found that the conditions identified in Section 28.A of the Development Agreement have been satisfied.

RECOMMENDATION:

Staff is recommending that the City Council approve, *as part of the Consent Agenda*, a reduction in the security amount for the developer installed Village East Trunk Utility Improvements. If removed from the consent agenda, the recommended motion for the action is as follows:

“Move to approve a reduction of the Letter of Credit for the developer installed Village East Trunk Utility Improvements from \$762,007 down to \$381,003.50.”

ATTACHMENT(S):

1. Engineer’s Letter Recommending Security Reduction #1 for the Village East Trunk Utility Improvements.
2. Developer's Letter Requesting Reduction of Security for the Village East Trunk Utility Improvements.
3. Contractor’s Lien Waiver.



January 12, 2016

Craig Allen, Chief Manager
Gonyea Company
10850 Old County Road 15, Suite 200
Plymouth, MN 55441

Re: Village East Trunk Utility Improvements
Lake Elmo, Minnesota
Irrevocable Letter of Credit No. 310

Dear Mr. Allen:

We have reviewed and processed your request dated December 15, 2015 for a reduction in the security for the Village East Trunk Utility Improvements in Lake Elmo, MN. At this time the Irrevocable Letter of Credit No. 310 may be reduced to \$381,003.50. Please process the security reduction through the Lake Elmo City Clerk.

Should you have any questions or require additional information, please call me 651.300.4264.

Sincerely,

John (Jack) W. Griffin, P.E.
City Engineer

cc: Clark Shroeder, Interim City Administrator
Julie Johnson, City Clerk
Cathy Bendel, Finance Director
Stephen Wensman, City Planner



Tuesday, December 15, 2015

Mr. Jack Griffin
City Engineer
3800 Laverne Avenue North
Lake Elmo, MN 55042

Jack:

This email is to request 50%, or \$381,003.50 of the security provided for the Eastern Village Trunk Sewer and Watermain Line. All utilities have been installed and all testing has been successfully completed. Lien Wavers are attached.

Thanks,

A handwritten signature in blue ink, appearing to read "Craig Allen". The signature is fluid and cursive, with a long horizontal stroke at the end.

Craig Allen

Chief Manager

Receipt and Waiver of Mechanics Lien Rights

Draw Number 3

Date: 12/07/15

The undersigned hereby acknowledges receipt of the sum of \$592,748.59 as

☒ PARTIAL PAYMENT for material, labor or service

☐ FULL AND FINAL PAYMENT for material, labor or service

furnished to the following described property:

Project Name: Lake Elmo

Address: Village Preserve
Lake Elmo, MN

General Contractor: GWSA Land Development, LLC

Project Manager:

File Number: HB-26627B

Contract: _____

and for value received hereby waives any and all rights to file a mechanic's lien against said property for material, labor, or service furnished to said property.

The undersigned affirms that all materials and labor furnished on behalf of the undersigned have been paid in full, EXCEPT:

CW Houle, Inc
Company Name

By: Bryan W. Houle

Title: President

Address: 1300 W. Co. Rd. I
Shoreview, MN 55126

Phone Number: (651) 484-6077

Please sign this form and return to CUSTOM HOME BUILDERS TITLE, LLC as follows:

* BY EMAIL: disbursing@chbttitle.com

* BY FAX: (763)489-3241

* BY MAIL: 10850 Old County Road 15, Plymouth, MN 55441

CUSTOM HOME BUILDERS TITLE, LLC

10850 Old County Road 15, Plymouth, MN 55441

Phone: (763)489-3240 -- Fax: (763)489-3241