



MAYOR & COUNCIL COMMUNICATION

DATE: March 2, 2016
CONSENT
ITEM # 6

AGENDA ITEM: Savona 2nd 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 *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 \$1,444,785 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 Savona 2nd Addition.

LEGISLATIVE HISTORY/BACKGROUND INFORMATION:

The developer has completed a substantial portion of the required development improvements for the Savona 2nd Addition including the installation of sanitary sewer, watermain, storm sewer,

and street improvements. In accordance with the revised Security Reduction Policy Paragraph G, the developer is eligible for a reduction in security for Phase 2 in the amount of \$1,178,709.

RECOMMENDATION:

Staff is recommending that the City Council approve, *as part of the Consent Agenda*, a reduction in the security amount for the Savona 2nd Addition. 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 Savona 2nd Addition from \$2,623,494.55 down to \$1,444,785.”

ATTACHMENT(S):

1. Engineer’s Letter Recommending Security Reduction #1 for the Savona 2nd Addition.
2. Developer’s Letter Requesting Reduction of Security for the Savona 2nd Addition.