



# MAYOR & COUNCIL COMMUNICATION

**DATE:** March 15, 2016  
**CONSENT**  
**ITEM #** 7

**AGENDA ITEM:** Village Preserve 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 *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 \$1,858,897 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 Village Preserve 1st Addition.

**LEGISLATIVE HISTORY/BACKGROUND INFORMATION:**

The developer has completed a substantial portion of the required development improvements for the Village Preserve 1st 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 1 in the amount of \$728,423.

**RECOMMENDATION:**

Staff is recommending that the City Council approve, *as part of the Consent Agenda*, a reduction in the security amount for the Village Preserve 1st 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 Village Preserve 1st Addition from \$2,507,460 down to \$1,858,897.”***

**ATTACHMENT(S):**

1. Engineer’s Letter Recommending Security Reduction #1 for the Village Preserve 1st Addition.
2. Developer’s Letter Requesting Reduction of Security for the Village Preserve 1st Addition.
3. Security Reduction Worksheet.



March 16, 2016

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

Re: Village Preserve 1st Addition  
Lake Elmo, Minnesota  
Irrevocable Letter of Credit No. **320**

Dear Mr. Allen:

We have reviewed and processed your request dated February 22, 2016 for a reduction in the security for the Village Preserve 1st Addition in Lake Elmo, MN. At this time the Irrevocable Letter of Credit No. **320** may be reduced to \$1,858,897. Please process the security reduction through the office of the Lake Elmo City Clerk.

This represents a security reduction in the amount of 75% of the Sanitary Sewer and Watermain security, 50% of the Storm Sewer security, and 18% of the Street Improvement security.

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

Sincerely,

*J Griffin*

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



Jack Griffin &lt;jack.griffin@focusengineeringinc.com&gt;

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**Village Preserve Security Reduction**

1 message

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**Craig@gonyecompany.com** <Craig@gonyecompany.com>

Mon, Feb 22, 2016 at 4:18 PM

To: "'Jack Griffin' (jack.griffin@focusengineeringinc.com)" &lt;jack.griffin@focusengineeringinc.com&gt;

Jack,

Attached is the Pay request from Houle for utility work as well as waiver's for the two payments. I would like to request a reduction in security for Village Preserve. With your new policy, I believe I'm eligible for a one time reduction of at least 50% for the storm and streets. As you will see, over 80% of the storm has been paid and installed but a smaller portion of the streets (please note some of the street work is included in extras). I'm not sure if you calculate a portion of what's been installed and paid for and give that percentage of what you have held for security or how it works exactly?

The watermain I believe is eligible for 75% and I'm hoping the sanitary is too. I know we have the corrections for sanitary in the spring, but I would think the 25% you retain would be enough to secure that work?

Take a look and let me know if you need anything additional from me. I'm happy to write a formal letter of request, I'm just not sure what to include in the letter without knowing exactly what I'm eligible for.

Thanks,

Craig

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Craig Allen  
10850 Old County Road 15  
Suite 200  
Plymouth, MN 55441  
Cell: [952-270-4473](tel:952-270-4473)  
[craig@gonyecompany.com](mailto:craig@gonyecompany.com)

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**2 attachments****Houle PR2 (2).pdf**

522K

**Houle Waiver #1 & #2.pdf**

88K



# C.W. Houle, Inc.

Excavating • Sewer-Water Construction

1300 WEST COUNTY ROAD I

SHOREVIEW, MINNESOTA 55126-5611

TELEPHONE: (651) 484-6077 • FAX: (651) 484-8895 • Email: info@cwhoule.com



December 11, 2015

GWSA Land Development  
Attn: Craig Allen  
10850 Old County Road 15, Suite 200  
Plymouth, MN 55441

Re: LAKE ELMO - VILLAGE RESERVE 15-07  
ESTIMATE #2

TOTAL WORK TO DATE:	\$840,802.00
EXTRA WORK PERFORMED:	<u>\$41,087.00</u>
GROSS AMOUNT DUE:	\$881,889.00
LESS 5% RETAINAGE:	\$44,094.45
LESS PREVIOUS PAYMENTS:	<u>\$455,478.45</u>
TOTAL AMOUNT DUE EST 2:	\$382,316.10

<u>EXTRA WORK:</u>	
INVOICE 10319 (INCL ON EST 1)	\$2,295.00
INVOICE 10320 (INCL ON EST 1)	\$1,055.00
INVOICE 10344 (SEE ATTACHED)	\$14,688.00
INVOICE 10345 (SEE ATTACHED)	\$16,700.00
INVOICE 10346 (SEE ATTACHED)	\$1,149.00
INVOICE 10347 (SEE ATTACHED)	<u>\$5,200.00</u>
TOTAL EXTRA WORK:	\$41,087.00

# Receipt and Waiver of Mechanics Lien Rights

Draw Number 2

Date: 11/12/15

The undersigned hereby acknowledges receipt of the sum of \$455,478.45 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: William Bourd

Title: O.P.

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](mailto: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

# Receipt and Waiver of Mechanics Lien Rights

Draw Number 4

Date: 01/12/16

The undersigned hereby acknowledges receipt of the sum of \$382,316.10 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: 

Title: Vice 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](mailto:disbursing@chbttitle.com)

\* BY FAX: (763)489-3241

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

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