



MAYOR & COUNCIL COMMUNICATION

DATE: September 6, 2016

CONSENT

ITEM #

9

AGENDA ITEM: Wildflower at Lake Elmo – Approve Security Reduction #4.

SUBMITTED BY: Jack Griffin, City Engineer

THROUGH: Kristina Handt, 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 \$1,297,986 which remains sufficient to complete the remaining improvements.

SUMMARY AND ACTION REQUESTED: The City Council is respectfully requested to consider approving, *as part of the Consent Agenda*, a reduction in the security amount for the Wildflower at Lake Elmo 1st Addition.

LEGISLATIVE HISTORY/BACKGROUND INFORMATION: The developer has completed a substantial portion of the required development improvements for the Wildflower at Lake Elmo 1st Addition including the installation of sanitary sewer, installation of watermain, and the construction of street and storm sewer improvements. In accordance with the revised Security Reduction Policy Paragraph D, the developer is eligible for a reduction in security for Phase 1 in the amount of \$744,337.

RECOMMENDATION: Staff is recommending that the City Council approve, *as part of the Consent Agenda*, a reduction in the security amount for the Wildflower at Lake Elmo 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 Wildflower at Lake Elmo 1st Addition from \$2,042,322 down to \$1,297,986.”

ATTACHMENT(S):

1. Engineer’s Letter Recommending Security Reduction #4 for the Wildflower at Lake Elmo 1st Addition.
2. Security Reduction Worksheet.



September 7, 2016

Mr. Robert Engstrom
Robert Engstrom Companies
4801 West 81st Street, Suite 101
Minneapolis, MN 55437

Re: Wildflower at Lake Elmo 1st Addition
Lake Elmo, Minnesota
Irrevocable Letter of Credit No. **1000**

Dear Mr. Engstrom:

We have reviewed and processed your request for a reduction in the security for the Wildflower at Lake Elmo 1st Addition in Lake Elmo, MN. At this time the Irrevocable Letter of Credit No. **1000** may be reduced to \$1,297,986. This represents a reduction in the amount of \$744,337 for street and storm sewer improvements. Please process the security reduction through the office of the Lake Elmo City Clerk.

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

WILDFLOWER AT LAKE ELMO 1ST ADDITION

Time of Performance: November 30, 2016

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125%	REMARKS	REDUCTIONS						
				#1	#2	#3	#4	#5	#6	
Grading	\$116,000	NA	Covered by Site Grading Agreement	\$116,000						
Sanitary Sewer	\$386,885	\$483,606	75%		\$241,803	\$120,902				
Watermain	\$472,052	\$590,065	75%		\$295,033	\$147,516				
Streets	\$916,819	\$1,146,024	75%		\$274,539		\$584,978			
Surface Water Facilities	\$509,946	\$637,433	75%		\$318,716		\$159,358			
Erosion Control	NA	NA	Covered by Site Grading Agreement							
Sidewalks/Trails	\$220,838	\$276,048								
Street Lighting	NA	NA	By Xcel Energy							
Street Signs and Traffic Control Signs	\$9,950	\$12,438								
Landscaping	\$200,000	\$250,000								
Tree Preservation and Restoration	\$23,675	\$29,594								
Wetland Mitigation and Buffers	NA	NA	LOC Through VBWD							
Monuments	\$6,000	\$7,500								
Miscellaneous Facilities	NA	NA								
Record Drawings	\$6,500	\$8,125								
TOTALS	\$2,752,665	\$3,440,831		RELEASED AMOUNTS:	\$116,000	\$1,130,091	\$268,418	\$744,337	\$0	\$0
				CUMMULATIVE AMOUNTS:	\$116,000	\$1,246,091	\$1,514,509	\$2,258,846		
				SECURITY AMOUNT REMAINING:	\$3,440,831	\$2,310,740	\$2,042,322	\$1,297,986		

DATE: 10/29/2015 12/15/2015 2/16/2016