



## STAFF REPORT

DATE: December 5, 2017

**CONSENT**

ITEM #: 7

**AGENDA ITEM:** Wildflower 1<sup>st</sup> Addition – Accept Improvements and Approve Reduction of Security #5 and Wildflower 2<sup>nd</sup> Addition Approve Reduction of Security #1

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Emily Becker, Planning Director

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**ISSUE BEFORE COUNCIL:** Should the City Council accept the improvements and approve the security reduction for Wildflower 1<sup>st</sup> Addition? And, should the City Council approve the security reduction for Wildflower 2<sup>nd</sup> Addition?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to accept the improvements and to reduce the development security for Wildflower 1<sup>st</sup> Addition and to reduce the development security for Wildflower 2<sup>nd</sup> Addition. These requests have been reviewed and the following reductions are being recommended:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Wildflower 1st Addition:	\$ 1,297,986	\$ 1,047,708
2. Wildflower 2nd Addition:	\$ 787,239	\$ 489,121

The Wildflower 1st Addition public improvements have been completed in accordance with the development agreement dated August 27, 2015 with the exception of Landscaping. The improvements are in the warranty period per the attached Certificate of Completion. A security amount of 25% of the original security will be retained until the warranty period has expired. Landscaping Improvements will be accepted separately and with different warranty dates.

**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.

**RECOMMENDATION:** Staff is recommending that the City Council, *as part of the Consent Agenda*, accept the improvements and approve the security reduction for Wildflower 1<sup>st</sup> Addition, and approve the security reduction for Wildflower 2<sup>nd</sup> Addition as detailed in the respective reports. If removed from the consent agenda, the recommended motion for the action is as follows:

***“Move to accept the improvements and approve security reduction for Wildflower 1<sup>st</sup> Addition, and approve the security reduction for Wildflower 2<sup>nd</sup> Addition as detailed in the respective Security Reduction Worksheets”.***

**ATTACHMENTS:**

1. Engineers Certificate of Acceptance.
2. Security Reduction Worksheets – Wildflower 1<sup>st</sup> Addition and Wildflower 2<sup>nd</sup> Addition.

**CERTIFICATE OF COMPLETION**

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DATE OF ISSUANCE: December 5, 2017

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OWNER: CITY OF LAKE ELMO, MN  
DEVELOPER: ROBERT ENGSTROM COMPANIES  
SUBDIVISION  
NAME: WILDFLOWER 1<sup>ST</sup> ADDITION  
PROJECT NO.: 2014.124

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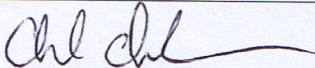
- This Certification of Completion applies to all work under the Development Agreement  
 This Certification of Completion applies to the following specified parts of the Development Agreement

Section 33.A – Public sewer and watermain  
Section 33.B – Public improvements including street construction, concrete curb and gutter, storm sewer facilities, sidewalks, trails, materials and equipment.

I do hereby certify that the work to which this Certificate applies has been constructed in accordance with the Development Agreement dated August 27, 2015. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: December 5, 2017

Chad Isakson Reg. No. 49028

  
FOCUS Engineering, inc.

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Section 33.A Warranty Period Begins February 16, 2016 and ends February 16, 2018

Section 33.B Warranty Period Begins December 5, 2017 and ends December 5, 2018

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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							\$207,036	
Street Lighting	NA	NA	By Xcel Energy							
Street Signs and Traffic Control Signs	\$9,950	\$12,438							\$9,328	
Landscaping	\$200,000	\$250,000								
Tree Preservation and Restoration	\$23,675	\$29,594							\$22,195	
Wetland Mitigation and Buffers	NA	NA	LOC Through VBWD							
Monuments	\$6,000	\$7,500							\$5,625	
Miscellaneous Facilities	NA	NA								
Record Drawings	\$6,500	\$8,125							\$6,094	

<b>TOTALS</b>	<b>\$2,752,665</b>	<b>\$3,440,831</b>		RELEASED AMOUNTS:	\$116,000	\$1,130,091	\$268,418	\$744,337	\$250,278
				CUMMULATIVE AMOUNTS:	\$116,000	\$1,246,091	\$1,514,509	\$2,258,846	\$2,509,123
				SECURITY AMOUNT REMAINING:	\$3,440,831	\$2,310,740	\$2,042,322	\$1,297,986	\$1,047,708
				DATE:	10/29/2015	12/15/2015	2/16/2016	9/7/2016	12/5/2017

WILDFLOWER AT LAKE ELMO 2ND ADDITION

Time of Performance: October 31, 2017

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS						
			#1	#2	#3	#4	#5	#6	
Sanitary Sewer	\$71,020	\$88,774 75%	\$66,581						
Watermain	\$81,280	\$101,600 75%	\$76,200						
Streets & Sidewalks	\$242,331	\$302,914 50%	\$151,457						
Surface Water Facilities	\$52,912	\$66,140 50%	\$33,070						
Erosion Control	\$16,533	\$20,666							
Trails	\$3,257	\$4,071							
Street Lighting	\$18,000	\$22,500 By Xcel Energy							
Street Signs and Traffic Control Signs	\$5,310	\$6,638							
Landscaping	\$40,500	\$50,625							
Tree Preservation and Restoration	NA	NA							
Wetland Mitigation and Buffers	NA	NA							
Monuments	\$2,000	\$2,500							
Private Utilities	\$115,000	\$143,750							
Record Drawings	\$5,000	\$6,250							

**TOTALS** **\$653,143** **\$816,429** RELEASED AMOUNTS: \$327,308 \$0 \$0 \$0 \$0

Incorrect original amount \$787,239 CUMMULATIVE AMOUNTS: \$327,308

SECURITY AMOUNT REMAINING: **\$489,121**

DATE: 12/5/2017