



STAFF REPORT

DATE: September 3, 2019

CONSENT

AGENDA ITEM: Accept Improvements and Approve Security Reduction for the Savona 1st, 2nd and 3rd Additions.

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Ken Roberts, Planning Director
Marty Powers, Public Works Director
Chad Isakson, Assistant City Engineer

ISSUE BEFORE COUNCIL: Should the City Council accept the improvements and approve security reductions for the Savona 1st, 2nd and 3rd Additions?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed requests to accept the improvements and to reduce the development security for the Savona 1st, 2nd and 3rd Additions. This request has been reviewed and the following reduction is being recommended:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Savona 1st Addition	\$ 666,495	\$ 547,612
2. Savona 2nd Addition	\$ 970,756	\$ 549,773
3. Savona 3rd Addition	\$ 1,003,159	\$ 898,985

The Savona 1st, 2nd and 3rd Addition street, sidewalk, trail and storm sewer improvements, and storm water ponding and infiltration basins have been completed and are recommended for acceptance by the City. The Certificates of Completion are attached. The warranty period for the improvements, except utilities, will start on September 3, 2019 with the acceptance of the improvements, and the 1-year warranty will end on September 3, 2020. Twenty-five percent (25%) of the original security amounts for these categories will be retained until the warranty period has expired. All other security amounts (except landscaping) are being recommended for release. In addition, the 2-year warranty period for the Savona 1st and 2nd Additions has expired and the developer has made all warranty corrections that were identified by City staff. Therefore, the twenty-five percent (25%) warranty security for these utilities are recommended for release.

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 reductions for the Savona 1st, 2nd and 3rd Additions as detailed in the respective worksheets. 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 the Savona 1st, 2nd and 3rd Additions as detailed in the attached Security Reduction Worksheets”.

ATTACHMENTS:

1. Certificate of Completion – Savona 1st Addition.
2. Certificate of Completion – Savona 2nd Addition.
3. Certificate of Completion – Savona 3rd Addition.
4. Security Reduction Worksheet – Savona 1st Addition.
5. Security Reduction Worksheet – Savona 2nd Addition.
6. Security Reduction Worksheet – Savona 3rd Addition.

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: September 3, 2019

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: U.S. HOME CORPORATION, D/B/A LENNAR
SUBDIVISION
NAME: SAVONA 1ST ADDITION
PROJECT NO.: 2012.130

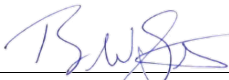
- This Certification of Completion applies to all work under the Development Agreement
 This Certification of Completion applies to the following specified parts of the Development Agreement

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 July 1, 2014. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: September 3, 2019

Ryan Stempski Reg. No. 45395


FOCUS Engineering, inc.

Section 33.A Warranty Period Begins December 20, 2016 and ends December 20, 2018

Section 33.B Warranty Period Begins September 3, 2019 and ends September 3, 2020

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: September 3, 2019

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: U.S. HOME CORPORATION, D/B/A LENNAR
SUBDIVISION
NAME: SAVONA 2ND ADDITION
PROJECT NO.: 2014.138

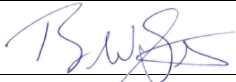
- This Certification of Completion applies to all work under the Development Agreement
 This Certification of Completion applies to the following specified parts of the Development Agreement

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 October 22, 2014. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: September 3, 2019

Ryan Stempski Reg. No. 45395



FOCUS Engineering, inc.

Section 33.A Warranty Period Begins December 20, 2016 and ends December 20, 2018

Section 33.B Warranty Period Begins September 3, 2019 and ends September 3, 2020

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: September 3, 2019

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: U.S. HOME CORPORATION, D/B/A LENNAR
SUBDIVISION
NAME: SAVONA 3RD ADDITION
PROJECT NO.: 2015.124

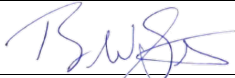
- This Certification of Completion applies to all work under the Development Agreement
 This Certification of Completion applies to the following specified parts of the Development Agreement

Section 34.A – Public sewer and watermain
Section 34.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 October 22, 2015. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: September 3, 2019

Ryan Stempski Reg. No. 45395



FOCUS Engineering, inc.

Section 34.A Warranty Period Begins January 16, 2018 and ends January 16, 2020

Section 34.B Warranty Period Begins September 3, 2019 and ends September 3, 2020

SAVONA 1ST ADDITION

Time of Performance: October 31, 2015

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS						
			#1	#2	#3	#4	#5	#6	
Grading	\$650,000	\$812,500 100%		\$812,500					
Sanitary Sewer	\$138,099	\$172,624 100%	\$86,312	\$43,156		\$43,156			
Watermain	\$155,927	\$194,909 100%	\$97,454	\$48,727		\$48,727			
Streets	\$763,387	\$954,234 75%	\$477,117	\$238,558					
Surface Water Facilities	\$493,703	\$617,129 75%	\$308,564		\$154,282				
Erosion Control	\$52,533	\$65,666 75%		\$32,833	\$16,417				
Sidewalks/Trails	\$119,642	\$149,553 75%		\$112,164					
Street Lighting	NA	NA By Xcel Energy							
Street Signs and Traffic Control Signs	\$11,600	\$14,500 75%		\$7,250	\$3,625				
Landscaping	\$97,236	\$121,545 75%							
Tree Preservation and Restoration	NA	NA							
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD							
Monuments	\$6,450	\$8,063 75%			\$6,047				
Miscellaneous Facilities	NA	NA							
Record Drawings	\$2,500	\$3,125 75%			\$2,344				

TOTALS	\$2,491,077	\$3,113,846	RELEASED AMOUNTS:	\$969,448	\$1,295,189	\$182,714	\$91,883
		\$575,337	CUMMULATIVE AMOUNTS:	\$969,448	\$2,264,637	\$2,447,351	\$2,539,234
			SECURITY AMOUNT REMAINING:	\$2,144,399	\$849,210	\$666,495	\$574,612
			DATE:	3/2/2016	12/20/2016	2/5/2019	9/3/2019

SAVONA 2ND ADDITION

Time of Performance: October 31, 2015

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	NA	NA	NA					
Sanitary Sewer	\$314,594	\$393,243 100%	\$196,621	\$98,311	\$98,311			
Watermain	\$485,172	\$606,464 100%	\$303,232	\$151,616	\$151,616			
Streets	\$614,836	\$768,545 75%	\$384,272	\$192,136				
Surface Water Facilities	\$471,332	\$589,165 75%	\$294,583		\$147,291			
Erosion Control	\$51,146	\$63,933 75%		\$31,966	\$15,983			
Sidewalks/Trails	Included in Streets	Included in Streets						
Street Lighting	NA	NA By Xcel Energy						
Street Signs and Traffic Control Signs	Included in Streets	Included in Streets						
Landscaping	\$153,415	\$191,769 75%						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$5,800	\$7,250 75%			\$5,438			
Miscellaneous Facilities	NA	NA						
Record Drawings	\$2,500	\$3,125 75%			\$2,344			

TOTALS

\$2,098,795

\$2,623,494

RELEASED AMOUNTS:

\$1,178,709

\$474,029

\$420,982

\$655,873

CUMMULATIVE AMOUNTS:

\$1,178,709

\$1,652,738

\$2,073,720

SECURITY AMOUNT REMAINING:

\$1,444,785

\$970,756

\$549,773

DATE: 3/2/2016

12/20/2016

9/3/2019

SAVONA 3RD ADDITION

Time of Performance: October 31, 2016

DEVELOPMENT AGREEMENT AMOUNTS			REDUCTIONS					
CATEGORY	CONSTRUCTION	125% REMARKS	#1	#2	#3	#4	#5	#6
Grading (Separate Grading Agreement)		\$127,000		\$127,000				
Sanitary Sewer	\$345,301	\$431,626 75%	\$215,813	\$107,907				
Watermain	\$503,113	\$628,891 75%	\$314,446	\$157,223				
Streets	\$1,168,007	\$1,460,009 75%	\$730,004		\$365,002			
Surface Water Facilities	\$333,140	\$416,425 50%	\$208,213			\$104,106		
Erosion Control	\$133,732	\$167,165 75%			\$125,374			
Sidewalks/Trails	Included in Streets	Included in Streets						
Street Lighting	NA	NA By Xcel Energy						
Street Signs and Traffic Control Signs	Included in Streets	Included in Streets						
Landscaping	\$95,218	\$119,023 0%						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$6,000	\$7,500 75%			\$5,625			
Miscellaneous Facilities	NA	NA						
Record Drawings	\$6,500	\$8,125 75%			\$6,094			
TOTALS	\$2,591,011	\$3,365,764	RELEASED AMOUNTS: \$1,468,476	\$392,129	\$502,095	\$104,106		
		\$809,691	CUMMULATIVE AMOUNTS: \$1,468,476	\$1,860,605	\$2,362,700	\$2,466,806		
			SECURITY AMOUNT REMAINING: \$1,897,288	\$1,505,159	\$1,003,064	\$898,958		
			DATE: 12/20/2016	1/16/2018	2/5/2019	9/3/2019		