



STAFF REPORT

DATE: March 17, 2020

CONSENT

AGENDA ITEM: Approve Security Reduction for Hammes Estates 3rd Addition

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Ken Roberts, Planning Director
Chad Isakson, Assistance City Engineer

ISSUE BEFORE COUNCIL: Should the City Council approve a security reduction for the Hammes Estates 3rd Addition as itemized below?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to reduce the development security for the Hammes Estates 3rd Addition. This request has been reviewed and the following reduction is being recommended for approval, contingent upon the developer depositing sufficient escrow funds to restore a positive balance of \$10,000:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Hammes Estates 3 rd Addition:	\$ 2,648,551	\$ 1,277,288

Work within the development has progressed in accordance with the development agreement and to the extent necessary to support a reduction in the security as detailed in this report. Although the development improvements have been addressed in accordance with the development agreement the developer escrow funds are in the negative and must be restored prior to this reduction being processed.

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 remains sufficient to complete the remaining improvements.

RECOMMENDATION: Staff is recommending that the City Council approve, *as part of the Consent Agenda*, the security reduction for Hammes Estates 3rd Addition as detailed in this report and supporting documentation, contingent upon the developer depositing sufficient escrow funds to restore a positive balance of \$10,000. If removed from the consent agenda, the recommended motion for the action is as follows:

“Move to approve security reduction for Hammes Estates 3rd Addition as detailed in the attached Security Reduction Worksheet, contingent upon the developer depositing sufficient escrow funds to restore a positive balance of \$10,000.”

ATTACHMENTS:

1. Security Reduction Worksheet – Hammes Estates 3rd Addition.

HAMMES 3RD ADDITION

Time of Performance: October 31, 2018

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125%	REMARKS	REDUCTIONS						
				#1	#2	#3	#4	#5	#6	
Grading	NA	NA	Included in Phase 1							
Sanitary Sewer	\$384,246	\$480,307		\$360,230						
Watermain	\$503,893	\$629,866		\$472,399						
Storm Sewer (w/pond structures)	\$360,855	\$451,068		\$225,534						
Streets + Sidewalks	\$500,959	\$626,199		\$313,099						
Bituminous Trails	\$48,972	\$61,215								
Surface Water Facilities	NA	NA								
Street Lighting	\$48,000	\$60,000								
Street Signs and Traffic Control Signs	\$3,100	\$3,875								
Private Utilities (electricity, natural gas, telephone, and cable)										
Landscaping	\$212,300	\$265,375								
Tree Preservation and Restoration	NA	NA								
Wetland Mitigation and Buffers	NA	NA								
Monuments	\$6,900	\$8,625								
Erosion Control	\$44,616	\$55,770								
Miscellaneous Facilities	NA	NA								
Record Drawings	\$5,000	\$6,250								
TOTALS	\$2,118,840	\$2,648,551		RELEASED AMOUNTS: \$1,371,263	\$0	\$0	\$0	\$0	\$0	\$0

CUMMULATIVE AMOUNTS: \$1,371,263

SECURITY AMOUNT REMAINING: \$1,277,288

DATE: 3/17/2020