



## STAFF REPORT

DATE: January 5, 2021

### **CONSENT**

**AGENDA ITEM:** Approve Release of Warranty Security for Royal Golf Club 2nd Addition.

**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

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**ISSUE BEFORE COUNCIL:** Should the City Council approve release of warranty security for public improvements including streets, storm sewer facilities, sidewalks, trails, materials and equipment for Royal Golf Club 2nd Addition?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to release the development security in accordance with the development agreement for Royal Golf Club 2nd Addition. The public improvements including streets, storm sewer facilities, sidewalks, trails, materials and equipment were completed and accepted by the City on December 17, 2019 and the 1-year warranty period was initiated. Twenty-five percent (25%) of the original security was retained through the 1-year warranty period. A warranty walk-through has been completed by City staff and all warranty punch list items have since been addressed by the Developer. The release of security is contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement, including a positive escrow balance as required by the City and the payment of the outstanding invoice for the turn lanes installed as a part of the CSAH 17 Phase 3 project as managed by Washington County.

With the release of the 1-year warranty security for public improvements the overall development security may be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Royal Golf Club 2nd Add.	\$808,043	\$329,853

Remaining security is for the warranty of the sanitary sewer, watermain, and landscaping improvements.

**FISCAL IMPACT:** Release of the warranty security brings the public improvements including streets, storm sewer facilities, sidewalks, trails, materials and equipment to a close. The operation and maintenance of these facilities becomes the responsibility of the City going forward.

**RECOMMENDATION:** Staff is recommending that the City Council, *as part of the Consent Agenda*, approve the release of warranty security for public improvements including streets, storm sewer facilities, sidewalks, trails, materials and equipment in Royal Golf Club 2nd Addition resulting in a reduction in overall security as detailed in the respective worksheet. The release of security is contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement, including a positive escrow balance as required by the City and the payment of the outstanding invoice for the turn lanes installed as a part of the CSAH 17 Phase 3 project as managed by Washington County. If removed from the consent agenda, the recommended motion for the action is as follows:

***“Move to approve the security reductions for Royal Golf Club 2nd Addition as detailed in the respective Security Reduction Worksheet, contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement, including a positive escrow***

*balance as required by the City and the payment of the outstanding invoice for the turn lanes installed as a part of the CSAH 17 Phase 3 project as managed by Washington County”.*

**ATTACHMENTS:**

1. Security Reduction Worksheet – Royal Golf Club 2nd Addition.

ROYAL GOLF CLUB 2ND ADDITION

Time of Performance: October 31, 2018

DEVELOPMENT AGREEMENT AMOUNTS

DEVELOPMENT AGREEMENT AMOUNTS				REDUCTIONS					
CATEGORY	CONSTRUCTION	125%	REMARKS	#1	#2	#3	#4	#5	#6
Grading	NA	NA	Included in Overall Grading Agreement						
Sanitary Sewer	\$216,439	\$270,549		\$202,911					
Watermain	\$514,590	\$643,238		\$482,428					
Storm Sewer	\$409,749	\$512,186			\$256,093		\$128,047	\$128,047	
Streets and Sidewalks	\$998,255	\$1,247,818			\$623,909		\$311,955	\$311,955	
Trails	\$72,670	\$90,838					\$68,128	\$22,709	
Surface Water Facilities	NA	NA	included in Grading Agreement						
Street Lighting	\$30,000	\$37,500	By Xcel Energy				\$28,125	\$9,375	
Street Signs and Traffic Control Signs	\$4,235	\$5,294					\$3,970	\$1,323	
Landscaping	\$324,500	\$405,625				\$304,219			
Tree Preservation and Restoration	NA	NA	included in Grading Agreement						
Wetland Mitigation and Buffers	NA	NA	included in Grading Agreement						
Monuments	\$7,300	\$9,125					\$6,844	\$2,281	
Erosion Control	NA	NA	included in Grading Agreement						
Turn Lanes	NA	NA	By County						
Record Drawings	\$8,000	\$10,000					\$7,500	\$2,500	
TOTALS	\$2,585,737	\$3,232,172	RELEASED AMOUNTS:	\$685,340	\$880,002	\$304,219	\$554,568	\$478,190	\$0
			CUMMULATIVE AMOUNTS:	\$685,340	\$1,565,342	\$1,869,561	\$2,424,129	\$2,902,319	
			SECURITY AMOUNT REMAINING:	\$2,546,832	\$1,666,830	\$1,362,611	\$808,043	\$329,853	
			DATE:	1/15/2019	7/2/2019	11/5/2019	12/17/2019	1/5/2021	