



STAFF REPORT

DATE: January 5, 2021

CONSENT

AGENDA ITEM: Approve Release of Warranty Security for Southwind at Lake Elmo.

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 approve release of warranty security for public improvements including streets, storm sewer facilities, sidewalks, trails, materials and equipment for Southwind at Lake Elmo?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to release the development security in accordance with the development agreement for Southwind at Lake Elmo. 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.

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

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Southwind at Lake Elmo	\$432,917	\$145,304

Remaining security is for the landscaping improvements in the development.

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 Southwind at Lake Elmo 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. If removed from the consent agenda, the recommended motion for the action is as follows:

“Move to approve the security reductions for Southwind at Lake Elmo 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”.

ATTACHMENTS:

1. Security Reduction Worksheet – Southwind at Lake Elmo.

SOUTHWIND OF LAKE ELMO

Time of Performance: October 31, 2018

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	\$ 187,554	\$234,442 100%		\$234,442				
Sanitary Sewer	\$ 117,757	\$147,196 100%	\$110,397			\$36,799		
Watermain	\$ 126,676	\$158,345 100%	\$118,759			\$39,586		
Storm Sewer (w/pond structures)	\$ 217,173	\$271,466 100%	\$135,733	\$67,867				\$67,867
Streets + Sidewalks	\$ 545,215	\$681,518 100%	\$340,759		\$170,380			\$170,380
Bituminous Trails	\$ 32,525	\$40,656 100%					\$30,492	\$10,164
Surface Water Facilities	\$ 35,185	\$43,981 100%					\$32,985	\$10,995
Street Lighting	\$ 48,000	\$60,000 100%					\$45,000	\$15,000
Street Signs and Traffic Control Signs	\$ 7,400	\$9,250 100%					\$6,938	\$2,313
Private Utilities (electricity, natural gas, telephone, and cable)								
Landscaping	\$225,042	\$281,303 48%				\$136,000		
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA						
Monuments	\$ 4,600	\$5,750 100%					\$4,313	\$1,438
Erosion Control	\$ 25,265	\$31,582 100%					\$23,686	\$7,895
5TH Street North	Included	Included						
Record Drawings	\$ 5,000	\$6,250 100%					\$4,688	\$1,563
TOTALS	\$1,577,391	\$1,971,740	RELEASED AMOUNTS: \$705,649	\$302,309	\$170,380	\$212,385	\$148,101	\$287,613
		\$1,431,756	CUMMULATIVE AMOUNTS: \$705,649	\$1,007,957	\$1,178,337	\$1,390,722	\$1,538,823	\$1,826,437
		\$357,939	SECURITY AMOUNT REMAINING: \$1,266,091	\$963,783	\$793,403	\$581,018	\$432,917	\$145,304
			DATE: 1/16/2018	9/18/2018	1/15/2019	11/5/2019	12/17/2019	1/5/2021