



STAFF REPORT

DATE: January 5, 2021

CONSENT

AGENDA ITEM: Approve Security Reduction for Legacy at Northstar 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 Legacy at Northstar 3rd Addition as itemized below?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to reduce the development security for the Legacy at Northstar 3rd Addition. This request has been reviewed and the following reduction is being recommended for approval, 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. Legacy at Northstar 3rd Addition:	\$ 2,344,241	\$ 1,757,278

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. As part of this reduction the sanitary sewer and watermain improvements have been accepted and the 2-year warranty period will be initiated.

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 the Legacy at Northstar 3rd Addition as detailed in this report and supporting documentation, 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 security reduction for Legacy at Northstar 3rd Addition as detailed in the attached 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 – Legacy at Northstar 3rd Addition.

LEGACY AT NORTH STAR 3RD ADDITION

Time of Performance: October 31, 2021

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125%	REMARKS	REDUCTIONS					
				#1	#2	#3	#4	#5	#6
Grading	NA	NA	Included in Grading Security						
Sanitary Sewer	\$311,625	\$389,531		\$292,148					
Watermain	\$314,469	\$393,086		\$294,815					
Storm Sewer (w/pond structures)	\$358,510	\$448,138							
Streets + Sidewalks	\$677,964	\$847,455							
Bituminous Trails	\$24,180	\$30,225							
Surface Water Facilities	\$13,495	\$16,869							
Street Lighting	\$48,000	\$60,000							
Street Signs and Traffic Control Signs	\$5,300	\$6,625							
Private Utilities (electricity, natural gas, telephone, and cable)									
Builder Landscaping	\$41,925	\$52,406							
Landscaping	\$60,775	\$75,969							
Tree Preservation and Restoration	NA	NA							
Wetland Mitigation and Buffers	NA	NA							
Monuments	\$6,400	\$8,000							
Erosion Control	\$7,750	\$9,688							
Record Drawings	\$5,000	\$6,250							
TOTALS	\$1,875,393	\$2,344,241							

RELEASED AMOUNTS: \$586,963 \$0 \$0 \$0 \$0 \$0
CUMMULATIVE AMOUNTS: \$586,963
SECURITY AMOUNT REMAINING: \$1,757,278
DATE: 1/5/2021