



STAFF REPORT

DATE: April 6, 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

ISSUE BEFORE COUNCIL: Should the City Council approve release of warranty security for public improvements including public sanitary sewer and watermain 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 sanitary sewer and watermain were completed and accepted by the City on January 15, 2019 and the 2-year warranty period was initiated. Twenty-five percent (25%) of the original security was retained through the 2-year warranty period. A warranty walk-through has been completed by City staff and all warranty punch list items have 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.

With the release of the 2-year warranty security for public sanitary sewer and watermain improvements the overall development security may be reduced as shown below. Remaining security is for landscaping improvements.

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Royal Golf Club 2nd Add.	\$329,853	\$101,406

FISCAL IMPACT: Release of the warranty security brings the public improvements including sanitary sewer and watermain 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 sanitary sewer and watermain 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. 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”.

ATTACHMENTS:

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

ROYAL GOLF CLUB 2ND 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 Overall Grading Agreement						
Sanitary Sewer	\$216,439	\$270,549	75%	\$202,911					\$67,637
Watermain	\$514,590	\$643,238	75%	\$482,428					\$160,809
Storm Sewer	\$409,749	\$512,186	100%		\$256,093		\$128,047	\$128,047	
Streets and Sidewalks	\$998,255	\$1,247,818	100%		\$623,909		\$311,955	\$311,955	
Trails	\$72,670	\$90,838	100%				\$68,128	\$22,709	
Surface Water Facilities	NA	NA	included in Grading Agreement						
Street Lighting	\$30,000	\$37,500	100%				\$28,125	\$9,375	
Street Signs and Traffic Control Signs	\$4,235	\$5,294	100%				\$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	100%				\$6,844	\$2,281	
Erosion Control	NA	NA	included in Grading Agreement						
Turn Lanes	NA	NA	By County						
Record Drawings	\$8,000	\$10,000	100%				\$7,500	\$2,500	
TOTALS	\$2,585,737	\$3,232,172	RELEASED AMOUNTS:	\$685,340	\$880,002	\$304,219	\$554,568	\$478,190	\$228,447
			CUMMULATIVE AMOUNTS:	\$685,340	\$1,565,342	\$1,869,561	\$2,424,129	\$2,902,319	\$3,130,766
			SECURITY AMOUNT REMAINING:	\$2,546,832	\$1,666,830	\$1,362,611	\$808,043	\$329,853	\$101,406
			DATE:	1/15/2019	7/2/2019	11/5/2019	12/17/2019	1/5/2021	4/6/2021