



## 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

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**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		
<b>TOTALS</b>	<b>\$2,585,737</b>	<b>\$3,232,172</b>		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