



## STAFF REPORT

DATE: July 6, 2021

**CONSENT**

**AGENDA ITEM:** Accept Improvements and Approve Security Reductions for Wildflower 3rd 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 accept the improvements and approve security reductions for the Wildflower 3rd Addition?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to accept the improvements and to reduce the development security for the Wildflower 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. Wildflower 3rd Addition	\$ 705,998	\$ 378,239

The Wildflower 3rd Addition street and drainage improvements are now in the 1-year warranty period per the attached Certificate of Completion. Twenty-five percent (25%) of the original security amount will be retained until the warranty period has expired on July 6, 2022 for street and drainage improvements.

**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.

**RECOMMENDATION:** Staff is recommending that the City Council, *as part of the Consent Agenda*, accept the improvements and approve the security reductions for the Wildflower 3rd Addition as detailed in the respective 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. If removed from the consent agenda, the recommended motion for the action is as follows:

***“Move to accept the improvements and approve the security reduction for the Wildflower 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. Certificate of Completion – Wildflower 3rd Addition.
2. Security Reduction Worksheet – Wildflower 3rd Addition.

## CERTIFICATE OF COMPLETION

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DATE OF ISSUANCE: JULY 6, 2021

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OWNER: CITY OF LAKE ELMO, MN  
DEVELOPER: ROBERT ENGSTROM COMPANIES  
SUBDIVISION  
NAME: WILDFLOWER 3<sup>RD</sup> ADDITION  
PROJECT NO.: 2018.113

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- This Certification of Completion applies to all work under the Development Agreement  
 This Certification of Completion applies to the following specified parts of the Development Agreement

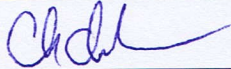
Section 34.A – Public sewer and watermain

Section 34.B – Public improvements including street construction, including concrete curb and gutter, sidewalks and trails, materials and equipment.

I do hereby certify that the work to which this Certificate applies has been constructed in accordance with the Development Agreement dated April 17, 2018. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: July 6, 2021

Chad Isakson Reg. No. 49028



FOCUS Engineering, inc.

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Section 34.A Warranty Period Begins November 19, 2019 and ends November 19, 2021

Section 34.B Warranty Period Begins July 6, 2021 and ends July 6, 2022

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**WILDFLOWER AT LAKE ELMO 3RD ADDITION**

**Time of Performance: October 31, 2018**

**DEVELOPMENT AGREEMENT AMOUNTS**

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS						
			#1	#2	#3	#4	#5	#6	
Sanitary Sewer	\$104,206	\$130,258 75%	\$97,693						
Watermain	\$149,310	\$186,638 75%	\$139,978						
Streets & Sidewalks	\$641,144	\$801,430 75%	\$400,715	\$200,358					
Storm Sewer	\$209,718	\$262,148 75%	\$131,074	\$65,537					
Erosion Control	\$17,100	\$21,375 75%		\$16,031					
Trails	NA	NA							
Street Lighting	\$30,000	\$37,500 75%		\$28,125					
Street Signs and Traffic Control Signs	\$6,388	\$7,985 75%		\$5,989					
Landscaping	\$10,000	\$12,500							
Tree Preservation and Restoration	NA	NA							
Wetland Mitigation and Buffers	NA	NA							
Monuments	\$2,500	\$3,125 75%		\$2,344					
Private Utilities	NA	NA							
Record Drawings	\$10,000	\$12,500 75%		\$9,375					
<b>TOTALS</b>	<b>\$1,180,366</b>	<b>\$1,475,458</b>	RELEASED AMOUNTS:	\$769,460	\$327,758			\$0	\$0
			CUMMULATIVE AMOUNTS:	\$769,460	\$1,097,218				
			SECURITY AMOUNT REMAINING:	\$705,998	\$378,239				

DATE: 11/19/2019 7/6/2021