



## STAFF REPORT

DATE: September 7, 2021

### **CONSENT**

**AGENDA ITEM:** Approve Security Reduction for Union Park 1st Addition

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Chad Isakson, Assistance City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council approve a security reduction for the Union Park 1st Addition as itemized below?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to reduce the development security for the Union Park 1st 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. Union Park 1st Addition:	\$ 1,714,514	\$ 1,378,983

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.

**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 Union Park 1st 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 Union Park 1st 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 – Union Park 1st Addition.

## UNION PARK 1ST ADDITION

Time of Performance: October 31, 2020

## DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	\$268,425	\$335,531		\$335,531				
Sanitary Sewer	\$365,093	\$456,366 75%	\$342,275					
Watermain	\$262,783	\$328,479 75%	\$246,359					
Storm Sewer (w/pond structures)	\$319,348	\$399,185 0%						
Streets + Sidewalks	\$435,304	\$544,130 0%						
Bituminous Trails	\$24,645	\$30,806						
Surface Water Facilities	\$34,727	\$43,409						
Street Lighting	\$24,000	\$30,000						
Street Signs and Traffic Control Signs	\$8,965	\$11,206						
Private Utilities (electricity, natural gas, telephone, and cable)								
Landscaping	\$36,620	\$45,775						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA						
Monuments	\$6,200	\$7,750						
Erosion Control	\$51,408	\$64,260						
Miscellaneous Facilities	NA	NA						
Record Drawings	\$5,000	\$6,250						

<b>TOTALS</b>	<b>\$1,842,518</b>	<b>\$2,303,148</b>	RELEASED AMOUNTS:	\$588,634	\$335,531	\$0	\$0	\$0	\$0
		\$491,904	CUMMULATIVE AMOUNTS:	\$588,634	\$924,165				
			SECURITY AMOUNT REMAINING:	\$1,714,514	\$1,378,983				
			DATE:	4/20/2021	9/7/2021				