



STAFF REPORT

DATE: September 21, 2021
CONSENT

AGENDA ITEM: Accept Improvements, Approve Security Reductions, and Approve City Oversize Cost Reimbursements for Four Corners 1st Addition.

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Marty Powers, Public Works Director
Sam Magureanu, Finance Director
Chad Isakson, Assistant City Engineer

ISSUE BEFORE COUNCIL: Should the City Council accept the improvements, approve security reductions, and approve city oversize cost reimbursements for the Four Corners 1st Addition?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to accept the improvements, reduce the development security, and process city oversize cost reimbursements for the Four Corners 1st Addition. This request has been reviewed and is being recommended for approval in accordance with the approved Development Agreement, and 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:

Oversize payments are recommended in the amounts of \$70,150 for trunk watermain oversize costs, \$120,760 for trunk sanitary sewer oversize costs, and \$18,200 for mill and overlay costs for Hudson Boulevard. The Development Security amount is recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Four Corners 1st Addition	\$ 1,324,895	\$ 441,632

The Four Corners 1st Addition facilities are in the warranty period as identified on the attached Certificate of Completion. Twenty-five percent (25%) of the original security amount will be retained until the warranty period has expired on September 21, 2022 for all work relating to the Hudson Boulevard Improvements and September 21, 2023 for public sanitary sewer, watermain, sod, trees, and landscaping.

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, approve the security reductions as detailed in the attached worksheet, and approve city oversize cost reimbursements as itemized above, for the Four Corners 1st Addition, all 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, approve the security reductions as detailed in the attached worksheet, and approve city oversize cost reimbursements as itemized above, for the Four Corners 1st Addition, all contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement, including fulfilling recent escrow request from City”.

ATTACHMENTS:

1. Certificate of Completion – Four Corners 1st Addition.
2. Security Reduction Worksheet – Four Corners 1st Addition.

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: SEPTEMBER 21, 2021

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: EN PROPERTIES, LLC
SUBDIVISION
NAME: FOUR CORNERS 1ST ADDITION
PROJECT NO.: 2018.122

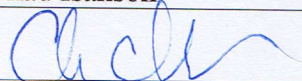
- ☐ This Certification of Completion applies to all work under the Development Agreement
☒ This Certification of Completion applies to the following specified parts of the Development Agreement

Section 30.A – Public sewer and watermain
Section 30.B – All work relating to the Hudson Boulevard Improvements.
Section 30.C – Sod, trees, and landscaping

I do hereby certify that the work to which this Certificate applies has been constructed in accordance with the Development Agreement dated October 22, 2018. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: September 21, 2021

Chad Isakson Reg. No. 49028


FOCUS Engineering, inc.

Section 30.A Warranty Period Begins	<u>September 21, 2021</u>	and ends	<u>September 21, 2023</u>
Section 30.B Warranty Period Begins	<u>September 21, 2021</u>	and ends	<u>September 21, 2022</u>
Section 30.C Warranty Period Begins	<u>September 21, 2021</u>	and ends	<u>September 21, 2023</u>

FOUR CORNERS 1ST ADDITION

Time of Performance: July 31, 2021

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	NA	NA						
Sanitary Sewer	\$411,585	\$514,481 75%	\$385,861					
Watermain	\$403,925	\$504,906 75%	\$378,680					
Storm Sewer (w/pond structures)	\$148,706	\$185,883 75%	\$139,412					
Streets + Sidewalks	\$350,555	\$438,194 75%	\$328,645					
Bituminous Trails	\$16,864	\$21,080 75%	\$15,810					
Surface Water Facilities	\$29,400	\$36,750 75%	\$27,563					
Street Lighting	NA	NA						
Street Signs and Traffic Control Signs	\$525	\$656 75%	\$492					
Private Utilities (electricity, natural gas, telephone, and cable)								
Landscaping	\$7,000	\$8,750 75%	\$6,563					
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA						
Monuments	NA	NA						
Erosion Control	\$35,163	\$43,954 75%	\$32,965					
Miscellaneous Facilities	NA	NA						
Record Drawings	\$9,498	\$11,873 75%	\$8,904					

TOTALS	\$1,413,221	\$1,766,526	RELEASED AMOUNTS:	\$1,324,895	\$0	\$0	\$0	\$0	\$0
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CUMMULATIVE AMOUNTS: \$1,324,895

SECURITY AMOUNT REMAINING: \$441,632

DATE: 9/21/2021