



STAFF REPORT

DATE: March 21, 2023

CONSENT

AGENDA ITEM: Accept Sanitary Sewer and Watermain Improvements and Approve Security Reduction for Union Park 2nd Addition.

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Sophia Jensen, Planner
Marty Powers, Public Works Director
Chad Isakson, Assistant City Engineer

ISSUE BEFORE COUNCIL: Should the City Council accept the public sanitary sewer and watermain improvements and approve security reductions for the Union Park 2nd Addition as itemized below?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to accept the public sanitary sewer and watermain improvements, release grading security and reduce the development security for the Union Park 2nd Addition. This request has been reviewed and the following reduction is being recommended for approval in accordance with the approved Development Agreement, 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. The Development Security amount is recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Union Park 2nd Addition:	\$ 1,699,861	\$ 765,837

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. As part of this reduction the sanitary sewer and watermain improvements have been accepted and the 2-year warranty period will be initiated. Twenty-five percent (25%) of the original sewer and water security amount will be retained until the warranty period has expired.

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, *as part of the Consent Agenda*, accept the public sanitary sewer and watermain improvements, release grading security, and approve the security reduction for the Union Park 2nd Addition as detailed in the attached worksheet, 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 public sanitary sewer and watermain improvements, release grading security, and approve the security reductions as detailed in the attached worksheet for the Union Park 2nd Addition, contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement.”

ATTACHMENTS:

1. Watermain and Sanitary Sewer Certificate of Completion – Union Park 2nd Addition
2. Security Reduction Worksheet – Union Park 2nd Addition.

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: MARCH 21, 2023

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: PULTE HOMES OF MINNESOTA, LLC
SUBDIVISION
NAME: UNION PARK 2ND ADDITION
PROJECT NO.: 2021.118

- ☐ 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 32.A – Public sanitary sewer and watermain

~~Section 32.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 June 15, 2021. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: March 21, 2023

Chad Isakson Reg. No. 49028

Chad Isakson

FOCUS Engineering, inc.

Section 32.A Warranty Period Begins March 21, 2023 and ends March 21, 2025

Section 32.B Warranty Period Begins _____ and ends _____

UNION PARK 2ND ADDITION

Time of Performance: October 31, 2021

DEVELOPMENT AGREEMENT AMOUNTS			REDUCTIONS					
CATEGORY	CONSTRUCTION	125% REMARKS	#1	#2	#3	#4	#5	#6
Grading	\$124,485	\$155,606 100%	\$155,606					
Sanitary Sewer	\$262,560	\$328,200 75%	\$246,150					
Watermain	\$210,660	\$263,325 75%	\$197,494					
Storm Sewer (w/pond structures)	\$239,469	\$299,336 50%	\$149,668					
Streets + Sidewalks	\$296,170	\$370,212 50%	\$185,106					
Bituminous Trails	\$29,616	\$37,019						
Surface Water Facilities	NA	NA						
Street Lighting	\$18,000	\$22,500						
Street Signs and Traffic Control Signs	\$1,735	\$2,169						
Private Utilities (electricity, natural gas, telephone, and cable)								
Landscaping	\$156,595	\$195,743						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA						
Monuments	\$5,600	\$7,000						
Erosion Control	\$10,000	\$12,500						
Miscellaneous Facilities	NA	NA						
Record Drawings	\$5,000	\$6,250						
TOTALS	\$1,359,889	\$1,699,861	RELEASED AMOUNTS: \$934,024	\$0	\$0	\$0	\$0	\$0
			CUMMULATIVE AMOUNTS: \$934,024					
			SECURITY AMOUNT REMAINING: \$765,837					
			DATE: 3/21/2023					