



STAFF REPORT

DATE: March 21, 2023

CONSENT

AGENDA ITEM: Accept Sanitary Sewer and Watermain Improvements and Approve Security Reduction for Union Park West 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 West Addition as itemized below?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to accept the public sanitary sewer and watermain improvements and reduce the development security for the Union Park West 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 West Addition:	\$ 2,731,770	\$ 2,095,505

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 and approve the security reduction for the Union Park West 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 and approve the security reductions as detailed in the attached worksheet for the Union Park West 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 West Addition
2. Security Reduction Worksheet – Union Park West Addition

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: MARCH 21, 2023

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: U.S. HOMES CORPORATION (D/B/A LENNAR)
SUBDIVISION
NAME: UNION PARK WEST ADDITION
PROJECT NO.: 2021.119

- ☐ 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 July 9, 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 WEST ADDITION

Time of Performance: October 31, 2022

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	\$487,082	\$608,853						
Sanitary Sewer	\$313,229	\$391,536 75%	\$293,652					
Watermain	\$365,453	\$456,817 75%	\$342,613					
Storm Sewer (w/pond structures)	\$308,968	\$386,210						
Streets + Sidewalks	\$432,768	\$540,959						
Bituminous Trails	\$42,867	\$53,584						
Surface Water Facilities	\$53,555	\$66,944						
Street Lighting	\$36,000	\$45,000						
Street Signs and Traffic Control Signs	\$7,950	\$9,938						
Private Utilities (electricity, natural gas, telephone, and cable)								
Landscaping	\$84,546	\$105,683						
Tree Preservation and Restoration	\$0	\$0						
Wetland Mitigation and Buffers	\$0	\$0						
Monuments	\$9,200	\$11,500						
Erosion Control	\$38,798	\$48,498						
Miscellaneous Facilities	\$0	\$0						
Record Drawings	\$5,000	\$6,250						
TOTALS	\$2,185,416	\$2,731,770						

RELEASED AMOUNTS: \$636,265

\$0

\$0

\$0

\$0

\$0

CUMMULATIVE AMOUNTS: \$636,265

SECURITY AMOUNT REMAINING: \$2,095,505

DATE: 3/21/2023