



## STAFF REPORT

DATE: May 2<sup>nd</sup> 2023

## **CONSENT**

**AGENDA ITEM:** Approve Landscape Security Reduction for Savona Development  
**SUBMITTED BY:** Sophia Jensen, City Planner

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**ISSUE BEFORE COUNCIL:** Should the City Council approve release of warranty security for landscaping for Savona 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> additions, and a landscape security reduction for 4<sup>th</sup> addition?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed requests to reduce the development security for landscaping improvements for the Savona Development. This is the final request to release the landscape security for 1<sup>st</sup>-3<sup>rd</sup> additions. These phases were inspected and accepted by the Landscape Architect on 7/8/2020.

This is the first request to reduce the landscaping security for 4<sup>th</sup> addition. The 4<sup>th</sup> addition was accepted into landscape warranty on 11/15/2022. The City will continue to retain funds until after the final landscape inspection is completed which is expected to happen in 2024.

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Savona 1 <sup>st</sup>	\$483,453	\$453,067
2. Savona 2 <sup>nd</sup>	\$405,947	\$358,004
3. Savona 3 <sup>rd</sup>	\$544,562	\$514,806
4. Savona 4 <sup>th</sup>	\$1,534,932	\$1,468,090

**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*, approve the security reductions for the Savona Development.. The release of security is 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 the security release for the Savona 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> additions, and a security reduction for 4<sup>th</sup> addition as detailed in the respective Security Reduction Worksheets, 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 Worksheets – Savona 1<sup>st</sup> – 4<sup>th</sup> Additions
2. 1<sup>st</sup> – 3<sup>rd</sup> Additions Close Out Inspection Letter
3. 4<sup>th</sup> Addition Start of Warranty Period Inspection Letter

SAVONA 1ST ADDITION

Time of Performance: October 31, 2015

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	\$650,000	\$812,500 100%		\$812,500				
Sanitary Sewer	\$138,099	\$172,624 100%	\$86,312	\$43,156		\$43,156		
Watermain	\$155,927	\$194,909 100%	\$97,454	\$48,727		\$48,727		
Streets	\$763,387	\$954,234 75%	\$477,117	\$238,558				
Surface Water Facilities	\$493,703	\$617,129 75%	\$308,564		\$154,282			
Erosion Control	\$52,533	\$65,666 75%		\$32,833	\$16,417			
Sidewalks/Trails	\$119,642	\$149,553 75%		\$112,164				
Street Lighting	NA	NA By Xcel Energy						
Street Signs and Traffic Control Signs	\$11,600	\$14,500 75%		\$7,250	\$3,625			
Landscaping	\$97,236	\$121,545 100%					\$91,159	\$30,386
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$6,450	\$8,063 75%			\$6,047			
Miscellaneous Facilities	NA	NA						
Record Drawings	\$2,500	\$3,125 75%			\$2,344			

<b>TOTALS</b>	<b>\$2,491,077</b>	<b>\$3,113,846</b>	RELEASED AMOUNTS:	\$969,448	\$1,295,189	\$182,714	\$91,883	\$91,159	\$30,386
			CUMMULATIVE AMOUNTS:	\$969,448	\$2,264,637	\$2,447,351	\$2,539,234	\$2,630,393	\$2,660,779
			SECURITY AMOUNT REMAINING:	\$2,144,399	\$849,210	\$666,495	\$574,612	\$483,453	\$453,067
			DATE:	3/2/2016	12/20/2016	2/5/2019	9/3/2019	12/3/2019	5/2/2023

SAVONA 2ND ADDITION

Time of Performance: October 31, 2015

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	NA	NA	NA					
Sanitary Sewer	\$314,594	\$393,243 100%	\$196,621	\$98,311	\$98,311			
Watermain	\$485,172	\$606,464 100%	\$303,232	\$151,616	\$151,616			
Streets	\$614,836	\$768,545 75%	\$384,272	\$192,136				
Surface Water Facilities	\$471,332	\$589,165 75%	\$294,583		\$147,291			
Erosion Control	\$51,146	\$63,933 75%		\$31,966	\$15,983			
Sidewalks/Trails	Included in Streets	Included in Streets						
Street Lighting	NA	NA By Xcel Energy						
Street Signs and Traffic Control Signs	Included in Streets	Included in Streets						
Landscaping	\$153,415	\$191,769 100%				\$143,827	\$47,942	
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$5,800	\$7,250 75%			\$5,438			
Miscellaneous Facilities	NA	NA						
Record Drawings	\$2,500	\$3,125 75%			\$2,344			

<b>TOTALS</b>	<b>\$2,098,795</b>	<b>\$2,623,494</b>	RELEASED AMOUNTS:	\$1,178,709	\$474,029	\$420,982	\$143,827	\$47,942
			CUMMULATIVE AMOUNTS:	\$1,178,709	\$1,652,738	\$2,073,720	\$2,217,547	\$2,265,489
			SECURITY AMOUNT REMAINING:	\$1,444,785	\$970,756	\$549,773	\$405,947	\$358,004
			DATE:	3/2/2016	12/20/2016	9/3/2019	12/3/2019	5/2/2023

## SAVONA 3RD ADDITION

Time of Performance: October 31, 2016

DEVELOPMENT AGREEMENT AMOUNTS			REDUCTIONS							
CATEGORY	CONSTRUCTION	125% REMARKS	#1	#2	#3	#4	#5	#6	#7	#8
Grading (Separate Grading Agreement)		\$127,000	\$127,000							
Sanitary Sewer	\$345,301	\$431,626 100%	\$215,813	\$107,907				\$107,907		
Watermain	\$503,113	\$628,891 100%	\$314,446	\$157,223				\$157,223		
Streets	\$1,168,007	\$1,460,009 75%	\$730,004		\$365,002					
Surface Water Facilities	\$333,140	\$416,425 75%	\$208,213			\$104,106				
Erosion Control	\$133,732	\$167,165 75%			\$125,374					
Sidewalks/Trails	Included in Streets	Included in Streets								
Street Lighting	NA	NA By Xcel Energy								
Street Signs and Traffic Control Signs	Included in Streets	Included in Streets								
Landscaping	\$95,218	\$119,023 100%					\$89,267		\$29,756	
Tree Preservation and Restoration	NA	NA								
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD								
Monuments	\$6,000	\$7,500 75%			\$5,625					
Miscellaneous Facilities	NA	NA								
Record Drawings	\$6,500	\$8,125 75%			\$6,094					
<b>TOTALS</b>	<b>\$2,591,011</b>	<b>\$3,365,764</b>	RELEASED AMOUNTS: \$1,468,476	\$392,129	\$502,095	\$104,106	\$89,267	\$265,129	\$29,756	
			CUMMULATIVE AMOUNTS: \$1,468,476	\$1,860,605	\$2,362,700	\$2,466,806	\$2,556,073	\$2,821,202	\$2,850,958	
			SECURITY AMOUNT REMAINING: \$1,897,288	\$1,505,159	\$1,003,064	\$898,958	\$809,691	\$544,562	\$514,806	
			DATE: 12/20/2016	1/16/2018	2/5/2019	9/3/2019	12/3/2019	2/4/2020	5/2/2023	

## SAVONA 4TH ADDITION

Time of Performance: September 30, 2017

## DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS						
			#1	#2	#3	#4	#5	#6	#7
Grading	NA	NA	NA						
Sanitary Sewer	\$379,407	\$474,259 100%	\$355,694		\$118,565				
Watermain	\$460,445	\$575,556 100%	\$431,667		\$143,889				
Storm Sewer (w/pond structures)	\$449,062	\$561,328 50%	\$280,664						
Streets	\$1,296,601	\$1,620,751 75%	\$810,375	\$405,188					
Sidewalks/Trails	\$281,412	\$351,765							
Surface Water Facilities	NA	NA included in Grading Agreement							
Street Lighting	\$84,000	\$105,000 0%							
Street Signs and Traffic Control Signs	\$4,650	\$5,813							
Private Utilities (electricity, natural gas, telephone, and cable)									
Landscaping	\$213,893	\$267,366 25%				\$66,842			
Tree Preservation and Restoration	NA	NA							
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD							
Monuments	\$7,800	\$9,750 0%							
Erosion Control	\$81,009	\$101,262 0%							
Record Drawings	\$6,500	\$8,125 0%							
<b>TOTALS</b>	<b>\$3,264,779</b>	<b>\$4,080,974</b>	RELEASED AMOUNTS: \$1,878,401	\$405,188	\$262,454	\$66,842	\$0	\$0	\$0
			CUMMULATIVE AMOUNTS: \$1,878,401	\$2,283,589	\$2,546,042	\$2,612,884			
			SECURITY AMOUNT REMAINING: \$2,202,573	\$1,797,386	\$1,534,932	\$1,468,090			
			DATE: 1/16/2018	2/5/2019	2/4/2020	5/2/2023			



**To:** Ken Roberts, City of Lake Elmo Planning Director  
**From:** Lucius Jonett, Wenck Landscape Architect  
**Date:** July 8, 2020  
**Subject:** Savona 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> Addition Landscape Warranty  
Final Site Inspection Completed on July 7, 2020

**Attendees**

- Jenna Niday, Landscape Designer

**Landscape Inspection Summary:**

- I arrived onsite to walk through and review the landscape punch list items of the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> additions of Savona for the final inspection, recorded from the inspection done June 23, 2020.

**Findings:**

1. All previous punch list items from the June 23, 2020 inspection have been completed.

**Recommendation:**

The Landscape Plan has been followed for the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> additions of Savona and all landscape materials are planted and in a reasonable state of health. The financial security to ensure compliance and performance for at least two years after installation can be released.

Sincerely,

A handwritten signature in black ink that reads "Lucius Jonett".

Lucius Jonett, PLA (MN)  
Wenck Associates, Inc.  
City of Lake Elmo Municipal Landscape Architect

File: 227701334

To: Molly Just, City of Lake Elmo Planning Director

From: Sarah Harding, Landscape Architect  
Mark Flicker, Landscape ArchitectSubject: Savona 4th Addition Landscape Warranty  
Initial Reinspection – November 15, 2022

Date: November 28, 2022

	Initial Inspection	Initial Acceptance	1-Year Inspection	2-Year Inspection	Final Acceptance
Savona 4 <sup>th</sup> Addition	9/15/2021; 10/4/2022; 10/17/2022	11/15/2022			

**Attendees**

Mark Flicker, Landscape Architect

**Landscape Inspection Summary:**

A walk through of the landscape conditions was completed for the reinspection of Savona 4th Addition.

**Findings:**

- All trees from the accepted, proposed plans were found to be in good health.

**Recommendation:**

It is recommended that the initial acceptance and start of the 2-year landscape warranty period for Savona 4<sup>th</sup> Addition begins.

**Stantec Consulting Services Inc.****Sarah Harding, PLA (MN)**

City of Lake Elmo Municipal Landscape Architect

P: 952-334-4838

E: [sarah.harding@stantec.com](mailto:sarah.harding@stantec.com)