



STAFF REPORT

DATE: November 21, 2023
CONSENT

AGENDA ITEM: Accept Improvements and Approve Security Reductions for Union Park 1st Addition

SUBMITTED BY: Jack Griffin, City Engineer

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

ISSUE BEFORE COUNCIL: Should the City Council accept the improvements and approve security reductions for Union Park 1st Addition?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to accept the improvements and reduce the development security for Union Park 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. The Development Security amount is recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Union Park 1 st Addition	\$ 1,182,771	\$ 330,024

The Union Park 1st Addition public facilities warranty periods are identified on the attached Certificate of Completion. Twenty-five percent (25%) of the original security amount will be retained until the warranty periods have expired and all warranty corrective work has been completed.

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 and approve the security reductions as detailed in the attached respective worksheets for Union Park 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 and approve the security reductions as detailed in the attached respective worksheets for Union Park 1st Addition, contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement.”

ATTACHMENTS:

1. Certificate of Completion – Union Park 1st Addition.
2. Security Reduction Worksheet – Union Park 1st Addition.

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: NOVEMBER 21, 2023

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: PULTE HOMES OF MINNESOTA, LLC
SUBDIVISION
NAME: UNION PARK FIRST ADDITION
PROJECT NO.: 2018.131

- ☐ 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 31.A – Public sewer and watermain

Section 31.B – Public improvements including street construction, 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 25, 2020. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: November 21, 2023

Chad Isakson Reg. No. 49028

Chad Isakson

FOCUS Engineering, inc.

Section 31.A Warranty Period Begins April 20, 2021 and ends April 20, 2023

Section 31.B Warranty Period Begins November 21, 2023 and ends November 21, 2024

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	\$335,531 100%		\$335,531				
Sanitary Sewer	\$365,093	\$456,366 100%	\$342,275		\$114,092			
Watermain	\$262,783	\$328,479 100%	\$246,359		\$82,120			
Storm Sewer (w/pond structures)	\$319,348	\$399,185 75%				\$299,389		
Streets + Sidewalks	\$435,304	\$544,130 75%				\$408,098		
Bituminous Trails	\$24,645	\$30,806 75%				\$23,105		
Surface Water Facilities	\$34,727	\$43,409 75%				\$32,557		
Street Lighting	\$24,000	\$30,000 75%				\$22,500		
Street Signs and Traffic Control Signs	\$8,965	\$11,206 75%				\$8,405		
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 75%				\$5,813		
Erosion Control	\$51,408	\$64,260 75%				\$48,195		
Miscellaneous Facilities	NA	NA						
Record Drawings	\$5,000	\$6,250 75%				\$4,688		

TOTALS	\$1,842,518	\$2,303,148	RELEASED AMOUNTS:	\$588,634	\$335,531	\$196,211	\$852,747	\$0	\$0
		\$491,904	CUMMULATIVE AMOUNTS:	\$588,634	\$924,165	\$1,120,376	\$1,973,123		
			SECURITY AMOUNT REMAINING:	\$1,714,514	\$1,378,983	\$1,182,771	\$330,024		
			DATE:	4/20/2021	9/7/2021	6/20/2023	11/21/2023		