



STAFF REPORT

DATE: January 16, 2024

CONSENT

AGENDA ITEM: Accept Improvements and Approve Security Reduction for the Northport 3rd Addition

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Clark Schroeder, Interim 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 a security reduction for Northport 3rd Addition?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to accept the improvements and reduce the development security for the Northport 3rd Addition. This request has been reviewed and is being recommended for approval in accordance with the approved Development Agreement. The warranty period for the Northport 3rd Addition public improvements are outlined on the attached Certificate of Completion. Twenty-five percent (25%) of the original security amount will be retained until the warranty period has expired and all warranty corrective work has been completed.

In addition, the 2-year utility warranty period has expired and all punchlist items have been addressed for the watermain and sanitary sewer improvements. The utility warranty security is therefore recommended to be fully released. Approval of these security reductions are contingent on the developer having a positive escrow balance in the minimum amount required by the city, and the developer being current with all payments and obligations required by the Development Agreement. The Development Security amount is recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Northport 3 rd Addition	\$ 683,546	\$ 255,882

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. Release of the public sanitary sewer and watermain warranty security closes out the public utility improvement portion of the development. The operation and maintenance becomes the responsibility of the city going forward.

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 worksheet for the Northport 3rd Addition, contingent on the developer being current with all 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 worksheet for Northport 3rd Addition, contingent on the developer being current with all payments and obligations in accordance with the Development Agreement.”

ATTACHMENTS:

1. Certificate of Completion – Northport 3rd Addition.
2. Security Reduction Worksheet – Northport 3rd Addition.

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: JANUARY 16, 2024

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: Pulte Homes of Minnesota, LLC
SUBDIVISION
NAME: NORTHPORT 3RD ADDITION
PROJECT NO.: 2020.111

- 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 33.A – Public sewer and watermain
Section 33.B – Public improvements related to 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 April 7, 2020. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: January 16, 2024

Chad Isakson Reg. No. 49028

Chad Isakson

FOCUS Engineering, inc.

Section 33.A Warranty Period Begins January 4, 2022 and ends January 4, 2024

Section 33.B Warranty Period Begins January 16, 2024 and ends January 16, 2025

NORTHPORT 3RD ADDITION

Time of Performance: October 31, 2021

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125%	REMARKS	REDUCTIONS						
				#1	#2	#3	#4	#5	#6	
Grading	NA	NA	Included in Phase 1							
Sanitary Sewer	\$215,014	\$268,768	100%	\$201,576		\$67,192				
Watermain	\$210,346	\$262,933	100%	\$197,199		\$65,733				
Storm Sewer (w/pond structures)	\$232,695	\$290,869	75%	\$145,434		\$72,717				
Streets + Sidewalks	\$458,706	\$573,383	75%	\$286,691		\$143,346				
Bituminous Trails	\$15,723	\$19,654	75%			\$14,740				
Surface Water Facilities	NA	NA	Included in Phase 1							
Street Lighting	\$40,000	\$50,000	75%			\$37,500				
Street Signs and Traffic Control Signs	\$4,098	\$5,123	75%			\$3,842				
Private Utilities (electricity, natural gas, telephone, and cable)										
Landscaping	\$43,500	\$54,375	75%		\$40,781					
Tree Preservation and Restoration	NA	NA								
Wetland Mitigation and Buffers	NA	NA								
Monuments	\$4,100	\$5,125	75%			\$3,844				
Erosion Control	\$10,000	\$12,500	75%			\$9,375				
Miscellaneous Facilities	NA	NA								
Record Drawings	\$10,000	\$12,500	75%			\$9,375				

TOTALS	\$1,244,182	\$1,555,228		RELEASED AMOUNTS:	\$830,901	\$40,781	\$427,664	\$0	\$0	\$0
				CUMMULATIVE AMOUNTS:	\$830,901	\$871,682	\$1,299,346			
				SECURITY AMOUNT REMAINING:	\$724,327	\$683,546	\$255,882			
				DATE:	1/4/2022	12/5/2023	1/16/2024			