



## STAFF REPORT

DATE: August 20, 2024

### **CONSENT**

**AGENDA ITEM:** Accept Improvements and Approve Security Reductions for the Ebertz Addition (Drake Motor Partners, LLC)

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Nicole Miller, City Administrator

Jason Stopa, Community Development Director

Marty Powers, Public Works Director

Clarissa Hadler, Finance Director

Chad Isakson, Assistant City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council accept the improvements and approve security reductions for the Ebertz Addition (Drake Motor Partners, LLC)?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to accept the improvements and reduce the development security for Ebertz Addition. This request has been reviewed and is being recommended for approval in accordance with the approved Development Agreement. Approval of this reduction is 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. Ebertz Addition	\$ 2,543,275	\$ 888,378

The warranty periods for the subdivision improvements will be initiated as outlined on the attached Certificate of Completion. Twenty-five percent (25%) of the original security amount will be retained until the applicable 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 Ebertz 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 respective worksheets for Ebertz Addition, contingent on the developer being current with all payments and obligations in accordance with the Development Agreement.”***

**ATTACHMENTS:**

1. Certificate of Completion.
2. Security Reduction Worksheet.

**CERTIFICATE OF COMPLETION**

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DATE OF ISSUANCE: AUGUST 20, 2024

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OWNER: CITY OF LAKE ELMO, MN  
DEVELOPER: DRAKE MOTOR PARTNERS LE LLC  
SUBDIVISION  
NAME: EBERTZ ADDITION  
PROJECT NO.: 2022.124

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- 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 30.A – Public sewer and watermain  
Section 30.B – Public improvements including street construction, including the improvements and turn lanes on Hudson Boulevard North, the concrete curb and gutter, trails and sidewalks, 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 13, 2023. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: August 20, 2024

Chad Isakson Reg. No. 49028

*Chad Isakson*

FOCUS Engineering, inc.

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Section 30.A Warranty Period Begins April 29, 2024 and ends April 29, 2026

Section 30.B Warranty Period Begins August 20, 2024 and ends August 20, 2025

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**EBERTZ NORTH (DRAKE)**

**Time of Performance:**

**October 31, 2024**

**SITE IMPROVEMENT AGREEMENT AMOUNTS**

CATEGORY	COST	125%	REMARKS	REDUCTIONS						
				#1	#2	#3	#4	#5	#6	
Grading	\$0	\$0								
Sanitary Sewer	\$56,000	\$70,000	75%	\$52,500						
Watermain	\$212,000	\$265,000	75%	\$198,750						
Storm Sewer (w/pond structures)	\$386,563	\$483,204	75%	\$362,403						
Street and Sidewalks	\$788,000	\$985,000	75%	\$738,750						
Bituminous Trails	\$36,000	\$45,000	75%	\$33,750						
Surface Water Facilities (ponds, infiltration basins, other BMPS)	\$200,240	\$250,300	75%	\$187,725						
Street Lighting	\$10,000	\$12,500	75%	\$9,375						
Street Signs and Traffic Control Signs	NA	NA								
Private Utilities (electricity, natural gas, telepho	NA	NA								
Landscaping	\$121,107	\$151,384	0%							
Tree Preservation and Restoration	\$148,290	\$185,363	0%							
Wetland Mitigation and Buffers	\$7,500	\$9,375	75%	\$7,031						
Monuments	\$5,400	\$6,750	75%	\$5,063						
Erosion Control and Restoration	\$53,520	\$66,900	75%	\$50,175						
Record Drawings	\$10,000	\$12,500	75%	\$9,375						

**TOTALS**

**\$2,034,620**

**\$2,543,275**

RELEASED AMOUNTS: \$1,654,897  
 CUMMULATIVE AMOUNTS: \$1,654,897  
 SECURITY AMOUNT REMAINING: \$888,378  
 DATE: 8/20/2024