



STAFF REPORT

DATE: January 7, 2025

CONSENT

AGENDA ITEM: Approve Security Reduction for Legacy at Northstar 2nd Addition

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Nicole Miller, City Administrator

Jason Stopa, Community Development Director

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 approve a security reduction for Legacy at Northstar 2nd Addition?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to reduce the development security for the Legacy at Northstar 2nd Addition. This reduction includes the release of public improvement warranty security as the warranty period has expired and all corrective work has been completed. These requests have been reviewed and are being recommended for approval in accordance with the approved Development Agreements. The approval 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 amounts are recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Legacy at Northstar 2 nd Addition	\$ 327,204	\$ 25,501

Remaining security is for landscaping and builder landscaping items.

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 improvement warranty security closes out the public improvements portion of the development. The operation and maintenance of these facilities become the responsibility of the city going forward.

RECOMMENDATION: Staff is recommending that the City Council, *as part of the Consent Agenda*, approve the security reduction and release as detailed in the attached worksheet for the Legacy at Northstar 2nd Addition, contingent on the developer being current with all Development Agreement payments and obligations, 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 reduction and release as detailed in the attached worksheet for the Legacy at Northstar 2nd Addition, contingent on the developer being current with all payments and obligations in accordance with the Development Agreement.”

ATTACHMENTS:

1. Security Reduction Worksheet – Legacy at Northstar 2nd Addition.

LEGACY AT NORTH STAR 2ND ADDITION

Time of Performance: October 31, 2019

DEVELOPMENT AGREEMENT AMOUNTS			REDUCTIONS						
CATEGORY	CONSTRUCTION	125% REMARKS	#1	#2	#3	#4	#5	#6	#7
Grading	NA	NA Included in Grading Security							
Sanitary Sewer	\$294,395	\$367,994 100%	\$275,995		\$91,998				
Watermain	\$287,645	\$359,556 100%	\$269,667		\$89,889				
Storm Sewer (w/pond structures)	\$350,133	\$437,666 100%	\$218,833	\$109,417				\$109,417	
Streets + Sidewalks	\$532,432	\$665,540 100%	\$332,770	\$166,385				\$166,385	
Bituminous Trails	NA	NA							
Surface Water Facilities	\$28,320	\$35,400 100%				\$26,550		\$8,850	
Street Lighting	\$18,976	\$23,720 100%				\$17,790		\$5,930	
Street Signs and Traffic Control Signs	\$1,750	\$2,188 100%				\$1,641		\$547	
Private Utilities (electricity, natural gas, telephone, and cable)									
Builder Landscaping	\$48,640	\$60,800 75%					\$45,600		
Landscaping	\$32,960	\$41,200 75%					\$30,900		
Tree Preservation and Restoration	NA	NA							
Wetland Mitigation and Buffers	NA	NA							
Monuments	\$7,000	\$8,750 100%				\$6,563		\$2,188	
Erosion Control	\$21,838	\$27,298 100%				\$20,473		\$6,824	
Record Drawings	\$5,000	\$6,250 100%				\$4,688		\$1,563	
TOTALS	\$1,629,089	\$2,036,362	RELEASED AMOUNTS: \$1,097,266	\$275,802	\$181,888	\$77,704	\$76,500	\$301,703	
			CUMMULATIVE AMOUNTS: \$1,097,266	\$1,373,067	\$1,554,955	\$1,632,658	\$1,709,158	\$2,010,861	
			SECURITY AMOUNT REMAINING: \$939,097	\$663,295	\$481,408	\$403,704	\$327,204	\$25,501	
			DATE: 1/21/2020	1/4/2022	12/20/2022	1/2/2024	11/19/2024	1/7/2025	