



STAFF REPORT

DATE: March 18, 2025

CONSENT

TO: City Council
FROM: Chad Isakson, Project Engineer
AGENDA ITEM: Accept Improvements and Approve Security Reduction for Easton Village 5th Addition
REVIEWED BY: Nicole Miller, City Administrator
Clarissa Hadler, Finance Director
Jason Stopa, Community Development Director
Marty Powers, Public Works Director
Nate Stanley, City Engineer

CORE STRATEGIES:

- | | |
|---|--|
| <input type="checkbox"/> Vibrant, inclusive, connected community | <input type="checkbox"/> Efficient, reliable, innovative services |
| <input type="checkbox"/> Responsive, transparent, adaptive governance | <input checked="" type="checkbox"/> Balanced Finances now and future |
| <input checked="" type="checkbox"/> Managed Growth | <input checked="" type="checkbox"/> Resilient Infrastructure |

BACKGROUND: Chase Development, Inc. entered into a development agreement with the City for Easton 5th Addition on July 24, 2019. Construction of the public improvements are now complete.

ISSUE BEFORE COUNCIL: Should the City Council accept the Easton Village 5th Addition public improvements and reduce the security amount as outlined in the Easton Village 5th Addition Development Agreement?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to accept the improvements and reduce the development security for Easton Village 5th 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. Easton Village 5th Addition	\$804,566	\$385,424

The warranty periods for Easton Village 5th Addition public improvements are identified on the attached Certificate of Completion. One hundred percent of the sanitary sewer, watermain, and landscaping security was released on February 6, 2024 following the end of the utility warranty period. Twenty-five percent (25%) of the original security amount for the remaining public improvement items 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.

OPTIONS: Accept the public improvements and reduce the security amount **or** Do not accept the public improvements and retain the current security amount.

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 worksheet for Easton Village 5th 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:

Motion to accept the improvements and approve the security reduction as detailed in the attached worksheet for Easton Village 5th Addition, contingent on the developer being current with all payments and obligations in accordance with the Development Agreement.

ATTACHMENTS:

1. Certificate of Completion – Easton Village 5th Addition.
2. Security Reduction Worksheet – Easton Village 5th Addition.

EASTON VILLAGE 5TH ADDITION

Time of Performance: October 31, 2019

DEVELOPMENT AGREEMENT AMOUNTS			REDUCTIONS					
CATEGORY	CONSTRUCTION	125% REMARKS	#1	#2	#3	#4	#5	#6
Site Grading Agreement	\$0	\$0						
Sanitary Sewer	\$219,845	\$274,806	\$206,105	\$68,702				
Watermain	\$324,705	\$405,881	\$304,411	\$101,470				
Storm Sewer	\$485,728	\$607,160	\$303,580		\$151,790			
Streets and Sidewalks	\$693,676	\$867,095	\$433,548		\$216,774			
Trails	\$0	\$0						
Surface Water Facilities	NA	NA						
Street Lighting	\$40,000	\$50,000 By Xcel Energy			\$37,500			
Street Signs and Traffic Control Signs	\$4,150	\$5,188			\$3,891			
Private Utilities (electricity, natural gas, telephone, and cable)	NA	NA						
Landscaping	\$61,074	\$76,343	\$57,257	\$19,086				
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA						
Monuments	\$4,800	\$6,000			\$4,500			
Erosion Control	\$0	\$0						
Misc.	NA	NA						
Record Drawings	\$5,000	\$6,250			\$4,688			
TOTALS	\$1,838,978	\$2,298,724	RELEASED AMOUNTS: \$1,304,900	\$189,258	\$419,142	\$0	\$0	\$0
			CUMMULATIVE AMOUNTS: \$1,304,900	\$1,494,158	\$1,913,299			
			SECURITY AMOUNT REMAINING: \$993,824	\$804,566	\$385,424			
			DATE: 10/6/2020	2/6/2024	3/18/2025			

CERTIFICATE OF COMPLETION

DATE OF ISSUANCE: MARCH 18, 2025

OWNER: CITY OF LAKE ELMO, MN
DEVELOPER: CHASE DEVELOPMENT, INC.
SUBDIVISION
NAME: EASTON VILLAGE 5TH ADDITION
PROJECT NO.: 2019.111

- ☐ 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 36.A – Public sanitary sewer and watermain

Section 36.B – Public improvements including 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 July 24, 2019. The above-mentioned improvement is hereby declared to be complete and acceptance of this work is recommended.

DATE OF COMPLETION: March 18, 2025

Chad Isakson Reg. No. 49028

Bolton and Menk, Inc.

Section 36.A Warranty Period Begins October 6, 2020 and ends October 6, 2022

Section 36.B Warranty Period Begins March 18, 2025 and ends March 18, 2026
