



## STAFF REPORT

DATE: April 1, 2025

### **CONSENT**

**TO:** City Council  
**FROM:** Mike Rusenovich, Project Engineer  
**AGENDA ITEM:** Approve Release of Grading and Public Utility Security for the Union Park West 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

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### **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:** U.S. Homes Corporation entered into a development agreement with the City for Union Park West Addition on July 24, 2019.

**ISSUE BEFORE COUNCIL:** Should the City Council approve the release of the grading security and the public utility warranty security for Union Park West Addition?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to release the grading security and reduce the public utility warranty security for the Union Park West Addition. This request has been reviewed and is being recommended for approval in accordance with the approved Development Agreement. The Development Security amount is recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Union Park West Addition	\$2,016,243	\$731,717

The two-year warranty period for Union Park West sanitary sewer and watermain ended on March 21, 2025. Twenty-five percent (25%) of the sanitary sewer and watermain portion of the original security was retained through the two-year warranty period. A warranty walkthrough has been completed by City Staff and all sanitary sewer and watermain warranty punchlist items have been addressed by the developer.

**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 Utility warranty security

closes out the sanitary sewer and watermain portion of the development. The operation and maintenance of the public sanitary sewer and watermain becomes the responsibility of the City going forward.

**RECOMMENDATION:** Staff is recommending that the City Council, as part of the Consent Agenda, approve the release of the grading security and the public utility warranty security as detailed in the attached worksheet for Union Park West 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 release the grading security and public utility warranty security as detailed in the attached worksheet for Union Park West 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.**

**ATTACHMENTS:**

1. Security Reduction Worksheet – Union Park West Addition.

UNION PARK WEST ADDITION

Time of Performance: October 31, 2022

DEVELOPMENT AGREEMENT AMOUNTS			REDUCTIONS						
CATEGORY	CONSTRUCTION	125% REMARKS	#1	#2	#3	#4	#5	#6	
Grading	\$487,082	\$608,853 100%			\$608,853				
Sanitary Sewer	\$313,229	\$391,536 100%	\$293,652		\$97,884				
Watermain	\$365,453	\$456,817 100%	\$342,613		\$114,204				
Storm Sewer (w/pond structures)	\$308,968	\$386,210 50%			\$193,106				
Streets + Sidewalks	\$432,768	\$540,959 50%			\$270,480				
Bituminous Trails	\$42,867	\$53,584							
Surface Water Facilities	\$53,555	\$66,944							
Street Lighting	\$36,000	\$45,000							
Street Signs and Traffic Control Signs	\$7,950	\$9,938							
Private Utilities (electricity, natural gas, telephone, and cable)									
Landscaping	\$84,546	\$105,683		\$79,262					
Tree Preservation and Restoration	\$0	\$0							
Wetland Mitigation and Buffers	\$0	\$0							
Monuments	\$9,200	\$11,500							
Erosion Control	\$38,798	\$48,498							
Miscellaneous Facilities	\$0	\$0							
Record Drawings	\$5,000	\$6,250							
TOTALS	\$2,185,416	\$2,731,770	RELEASED AMOUNTS:	\$636,265	\$79,262	\$1,284,527	\$0	\$0	\$0
			CUMMULATIVE AMOUNTS:	\$636,265	\$715,527	\$2,000,053			
			SECURITY AMOUNT REMAINING:	\$2,095,505	\$2,016,243	\$731,717			
			DATE:	3/21/2023	11/6/2024	4/1/2025			