



STAFF REPORT

DATE: December 17, 2024
CONSENT

AGENDA ITEM: Approve Security Reduction for MEP Lake Elmo LLC (Milestones Daycare Center)

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 MEP Lake Elmo LLC (Milestones Daycare Center)?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed a request to reduce the development security for the Milestones Daycare Center site improvements. This reduction includes a 50% reduction in categories 2-5, including sanitary sewer, watermain, storm sewer, and street/trail cut entrances. Additionally, the landscaping has been accepted and this reduction includes a 75% reduction of that category. These requests have been reviewed and are being recommended for approval in accordance with Section 30.D of the approved Site Improvement Agreement. 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 required payments and obligations. The Site Improvement security amounts are recommended to be reduced as follows:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Milestones Daycare	\$ 453,928	\$ 295,620

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*, approve the security reduction as detailed in the attached worksheet for the Milestones Daycare Center site improvements, contingent on the developer being current with all required payments and obligations, including a positive escrow balance. If removed from the *consent agenda*, the recommended motion for the action is as follows:

“Move to approve the security reduction as detailed in the attached worksheet for the Milestones Daycare Center site improvements, contingent on the developer being current with all payments and obligations, including a positive escrow balance.”

ATTACHMENTS:

1. Security Reduction Worksheet – Milestones Daycare Center site improvements.

LIL EXPLORERS (MILESTONES)

Time of Performance: October 31, 2024

DEVELOPMENT AGREEMENT AMOUNTS				REDUCTIONS					
CATEGORY	CONSTRUCTION	125%	REMARKS	#1	#2	#3	#4	#5	#6
Grading	\$46,560	\$58,200							
Sanitary Sewer	\$15,400	\$19,250	50%	\$9,625					
Watermain	\$23,530	\$29,413	50%	\$14,706					
Storm Sewer (w/pond structures)	\$111,362	\$139,203	50%	\$69,601					
Street and Trail Cut at Entrances	\$10,000	\$12,500	50%	\$6,250					
Bituminous Trails	NA	NA							
Surface Water Facilities	\$60,700	\$75,875							
Street Lighting	NA	NA							
Street and Traffic Signs	NA	NA							
Private Utilities	NA	NA							
Landscaping Improvements	\$62,000	\$77,500	75%	\$58,125					
Monuments	\$1,200	\$1,500							
Erosion and Sedimentation Control	\$27,390	\$34,238							
Developer's Record Drawings	\$5,000	\$6,250							
TOTALS	\$363,142	\$453,928	RELEASED AMOUNTS:	\$158,308	\$0	\$0	\$0	\$0	\$0
			CUMULATIVE AMOUNTS:	\$158,308					
			SECURITY AMOUNT REMAINING:	\$295,620					
			DATE:	12/17/2024					