



STAFF REPORT

DATE: February 5, 2019

CONSENT

AGENDA ITEM: Approve Development Security Reductions for Savona 1st, 3rd & 4th Additions

SUBMITTED BY: Jack Griffin, City Engineer

REVIEWED BY: Kristina Handt, City Administrator
Ken Roberts, Planning Director
Chad Isakson, Assistant City Engineer

ISSUE BEFORE COUNCIL: Should the City Council approve a reduction in the security amounts for the Savona 1st, 3rd and 4th Additions?

PROPOSAL DETAILS/ANALYSIS: Staff has received and processed requests to reduce the warranty security amounts for the Savona 1st, 3rd and 4th Additions. These requests have been reviewed and the following reduction in security is being recommended for approval:

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Savona 1st Addition	\$ 849,210	\$ 666,495
2. Savona 3rd Addition	\$ 1,505,159	\$ 1,003,064
3. Savona 4th Addition	\$ 2,202,573	\$ 1,797,386

Work within each of these developments have progressed in accordance with the respective development agreement and to the extent necessary to support a reduction in the security as detailed in this report.

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. With this reduction, the remaining security amount held by the City remains sufficient to complete the remaining improvements.

RECOMMENDATION: Staff is recommending that the City Council approve, *as part of the Consent Agenda*, the security reductions for the Savona 1st, 3rd, and 4th Additions as detailed in this report and supporting documentation. If removed from the consent agenda, the recommended motion for the action is as follows:

“Move to approve security reductions for the Savona 1st, 3rd, and 4th Additions as detailed in the attached Security Reduction Worksheets.”

ATTACHMENTS:

1. Security Reduction Worksheet – Savona 1st Addition.
2. Security Reduction Worksheet – Savona 3rd Addition.
3. Security Reduction Worksheet – Savona 4th Addition.

SAVONA 1ST ADDITION

Time of Performance: October 31, 2015

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	\$650,000	\$812,500 100%		\$812,500				
Sanitary Sewer	\$138,099	\$172,624 75%	\$86,312	\$43,156				
Watermain	\$155,927	\$194,909 75%	\$97,454	\$48,727				
Streets	\$763,387	\$954,234 75%	\$477,117	\$238,558				
Surface Water Facilities	\$493,703	\$617,129 75%	\$308,564		\$154,282			
Erosion Control	\$52,533	\$65,666 75%		\$32,833	\$16,417			
Sidewalks/Trails	\$119,642	\$149,553 75%		\$112,164				
Street Lighting	NA	NA By Xcel Energy						
Street Signs and Traffic Control Signs	\$11,600	\$14,500 75%		\$7,250	\$3,625			
Landscaping	\$97,236	\$121,545 75%						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$6,450	\$8,063 75%			\$6,047			
Miscellaneous Facilities	NA	NA						
Record Drawings	\$2,500	\$3,125 75%			\$2,344			

TOTALS

\$2,491,077

\$3,113,846

RELEASED AMOUNTS:

\$969,448

\$1,295,189

\$182,714

\$575,337

CUMMULATIVE AMOUNTS:

\$969,448

\$2,264,637

\$2,447,351

SECURITY AMOUNT REMAINING:

\$2,144,399

\$849,210

\$666,495

DATE:

3/2/2016

12/20/2016

2/5/2019

SAVONA 3RD ADDITION

Time of Performance: October 31, 2016

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading (Separate Grading Agreement)		\$127,000		\$127,000				
Sanitary Sewer	\$345,301	\$431,626 75%	\$215,813	\$107,907				
Watermain	\$503,113	\$628,891 75%	\$314,446	\$157,223				
Streets	\$1,168,007	\$1,460,009 75%	\$730,004		\$365,002			
Surface Water Facilities	\$333,140	\$416,425 50%	\$208,213					
Erosion Control	\$133,732	\$167,165 75%			\$125,374			
Sidewalks/Trails	Included in Streets	Included in Streets						
Street Lighting	NA	NA By Xcel Energy						
Street Signs and Traffic Control Signs	Included in Streets	Included in Streets						
Landscaping	\$95,218	\$119,023 0%						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$6,000	\$7,500 75%			\$5,625			
Miscellaneous Facilities	NA	NA						
Record Drawings	\$6,500	\$8,125 75%			\$6,094			

TOTALS	\$2,591,011	\$3,365,764	RELEASED AMOUNTS:	\$1,468,476	\$392,129	\$502,095
			CUMMULATIVE AMOUNTS:	\$1,468,476	\$1,860,605	\$2,362,700
			SECURITY AMOUNT REMAINING:	\$1,897,288	\$1,505,159	\$1,003,064
			DATE:	12/20/2016	1/16/2018	2/5/2019

SAVONA 4TH ADDITION

Time of Performance: September 30, 2017

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125% REMARKS	REDUCTIONS					
			#1	#2	#3	#4	#5	#6
Grading	NA	NA	NA					
Sanitary Sewer	\$379,407	\$474,259 75%	\$355,694					
Watermain	\$460,445	\$575,556 75%	\$431,667					
Storm Sewer (w/pond structures)	\$449,062	\$561,328 50%	\$280,664					
Streets	\$1,296,601	\$1,620,751 75%	\$810,375	\$405,188				
Sidewalks/Trails	\$281,412	\$351,765						
Surface Water Facilities	NA	NA included in Grading Agreement						
Street Lighting	\$84,000	\$105,000 0%						
Street Signs and Traffic Control Signs	\$4,650	\$5,813						
Private Utilities (electricity, natural gas, telephone, and cable)								
Landscaping	\$213,893	\$267,366 0%						
Tree Preservation and Restoration	NA	NA						
Wetland Mitigation and Buffers	NA	NA LOC Through VBWD						
Monuments	\$7,800	\$9,750 0%						
Erosion Control	\$81,009	\$101,262 0%						
Record Drawings	\$6,500	\$8,125 0%						

TOTALS

\$3,264,779

\$4,080,974

\$1,020,244

RELEASED AMOUNTS: \$1,878,401 \$405,188
 CUMMULATIVE AMOUNTS: \$1,878,401 \$2,283,589
 SECURITY AMOUNT REMAINING: \$2,202,573 \$1,797,386
 DATE: 1/16/2018 2/5/2019