



## STAFF REPORT

DATE: June 20, 2023

### **CONSENT**

**AGENDA ITEM:** Approve Release of Warranty Security for Public Improvements for Hammes Estates 3<sup>rd</sup> Addition.

**SUBMITTED BY:** Jack Griffin, City Engineer

**REVIEWED BY:** Kristina Handt, City Administrator  
Marty Powers, Public Works Director  
Clarissa Hadler, Finance Director  
Sophia Jensen, City Planner  
Chad Isakson, Assistant City Engineer

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**ISSUE BEFORE COUNCIL:** Should the City Council approve release of warranty security for public improvements for Hammes Estates 3<sup>rd</sup> Addition?

**PROPOSAL DETAILS/ANALYSIS:** Staff has received and processed a request to release the development security for Hammes Estates 3<sup>rd</sup> Addition. The 1-year warranty period for the public improvements including street construction, concrete curb and gutter, sidewalks and trails, materials and equipment began on November 17, 2020. Twenty-five percent (25%) of the original security was retained through the 1-year warranty period. A warranty walk-through has been completed by city staff and all warranty punch list items have since been addressed by the developer.

With the release of the 1-year warranty security for public street improvements the overall development security may be released in full.

	<u>Current Security Amount</u>	<u>Proposed Security Amount</u>
1. Hammes Estates 3 <sup>rd</sup> Addition:	\$318,252	\$0

**FISCAL IMPACT:** Release of the warranty security closes out the development. The operation and maintenance of the public facilities 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 warranty security for public street in Hammes Estates 3<sup>rd</sup> Addition, resulting in a full release of all remaining securities. The release of security is contingent on the developer being current with all other 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:

***“Move to approve the security release for the Hammes Estates 3<sup>rd</sup> Addition as detailed in the respective Security Reduction Worksheets, contingent on the developer being current with all other payments and obligations in accordance with the Development Agreement, including a positive escrow balance as required by the City”***

**ATTACHMENTS:**

1. Security Reduction Worksheet – Hammes Estates 3<sup>rd</sup> Addition.

HAMMES 3RD ADDITION

Time of Performance: October 31, 2018

DEVELOPMENT AGREEMENT AMOUNTS

CATEGORY	CONSTRUCTION	125%	REMARKS	REDUCTIONS						
				#1	#2	#3	#4	#5	#6	
Grading	NA	NA	Included in Phase 1							
Sanitary Sewer	\$384,246	\$480,307		\$360,230		\$120,077				
Watermain	\$503,893	\$629,866		\$472,399		\$157,466				
Storm Sewer (w/pond structures)	\$360,855	\$451,068		\$225,534	\$112,767		\$112,768			
Streets + Sidewalks	\$500,959	\$626,199		\$313,099	\$156,550		\$156,550			
Bituminous Trails	\$48,972	\$61,215			\$45,911		\$15,304			
Surface Water Facilities	NA	NA								
Street Lighting	\$48,000	\$60,000			\$45,000		\$15,000			
Street Signs and Traffic Control Signs	\$3,100	\$3,875			\$2,906		\$969			
Private Utilities (electricity, natural gas, telephone, and cable)										
Landscaping	\$212,300	\$265,375				\$265,375				
Tree Preservation and Restoration	NA	NA								
Wetland Mitigation and Buffers	NA	NA								
Monuments	\$6,900	\$8,625			\$6,469		\$2,157			
Erosion Control	\$44,616	\$55,770			\$41,828		\$13,942			
Miscellaneous Facilities	NA	NA								
Record Drawings	\$5,000	\$6,250			\$4,688		\$1,562			

<b>TOTALS</b>	<b>\$2,118,840</b>	<b>\$2,648,551</b>		RELEASED AMOUNTS:	\$1,371,263	\$416,118	\$542,918	\$318,252	\$0	\$0
				CUMMULATIVE AMOUNTS:	\$1,371,263	\$1,787,382	\$2,330,300	\$2,648,552		
				SECURITY AMOUNT REMAINING:	\$1,277,288	\$861,170	\$318,252	\$0		
				DATE:	3/17/2020	11/17/2020	2/7/2023	6/20/2023		