



City of Rochelle
Engineering Department

Memo

To: Dave Plyman, City Manager

CC: Kathy Cooper, Superintendent of water/wastewater RMU

Don Elliott, Supt. of Street Division

Curt Ward, Engineering Technician

Chris Limas, Community development Director

Alan Cooper, City Attorney (via council packet)

From: City Engineer - Sam Tesreau

Date: June 22, 2011

Re: Request for reduction in surety #S2009-121 for the Rte 38 improvements in connection with the Lighthouse Pointe Subdivision

Encl:

As per our conversation Mr. Ryan Fitzgerald requested a reduction in the letter of credit No. S2009-121 for certain land improvements, along Rte 38 for the Lighthouse Pointe Subdivision, from your office. The surety was required as part of the Rochelle Municipal Code final plat requirements for land improvements for said subdivision. The Illinois Department of Transportation currently has jurisdiction and permitting authority over the Illinois Rte 38 right of way. As a requirement of the permit issued by IDOT the developer has posted a bond, in addition to the above referenced letter of credit, for said improvements. The City of Rochelle has an intergovernmental agreement, with IDOT, for maintenance of certain infrastructure items along and within the project area. In addition, the City of Rochelle has jurisdiction over the right of ways along Caron Road within the project limits.

Please be aware that not all improvements are completed or accepted at this time along Rte 38 and the IDOT permit bond does not allow the City to draw on surety funds in the event there is a default on the project improvements. Therefore, the completion of the Rte 38 improvements would be under the control of IDOT and not the City. It is estimated that there is over \$900,000 worth of improvements yet to complete in accordance with the estimate of cost attached to the above referenced letter of credit. Furthermore, if the request is granted the surety should not be reduced to less than 10%, or \$196,000, of the original surety amount. The developer should submit or deposit with the City a letter of credit or other surety, as approved by council to the City

to be held for a period of not less than 24 months before the original surety #S2009-121 is released. This surety shall serve as a guarantee of satisfactory performance of the completed land improvements. All other applicable items of the Rochelle Municipal code section 86-56, et seq. shall be satisfied as well. I believe this request is reasonable upon the approval or additional conditions as may be determined by yourself or the city council. Please be aware that Walmart Stores, Inc. is currently shown as a beneficiary of this LOC as well and will most likely have to concur before the surety can be reduced to the above amount.