



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, PE

Date: December 4, 2012

Re: Request for reduction in Dubuque Bank and Trust Co. irrevocable letters of credit No. 08522, No. 08521, No. 08520, No. 08519 and No. 08518 for the public land improvements in connection with the Lighthouse Pointe Walmart Addition Subdivision final PUD plat

Encl (1):

In November 2011, the City Council approved a reduction in surety for the various letters of credit for the Lighthouse Pointe Walmart Addition Subdivision for work that had been completed and/or accepted by staff at that time. Those original letters of credit were the Dubuque Bank and Trust Co. irrevocable letters of credit No.08522 (\$632,718.61), No. 08521 (\$397,502.94), No. 08520 (\$82,998.22) and No. 08519 (\$465,736.49) for certain public land improvements, along Rte 38, Caron Road and Northpointe Drive, for the *Lighthouse Pointe Walmart Addition subdivision*. In February 2012 the City received Dubuque Bank and Trust Co. **amended irrevocable** letters of credit No.08522 (\$88,488.00), No. 08521 (\$87,000.00), No. 08520 (\$8,300.00), No. 08519 (\$71,790.00) and No. 08518 (\$238,000) for certain public land improvements, along Rte 38, Caron Road and Northpointe Drive, for the *Lighthouse Pointe Walmart Addition subdivision*. However, Grand Pointe Drive, Coronado Drive and other private entrances off Ill. Rte 38, Caron Road, and North pointe Drive are not accepted by the City for public improvements and/or maintenance and are considered "private" as shown on the *final PUD plat for Lighthouse Pointe Walmart Addition*. The surety was required as part of the Rochelle Municipal Code final plat requirements for land improvements for said subdivision. As of the end of October 2012 developer Ryan Fitzgerald, of Spring Creek Development Group, has completed certain outstanding punchlist items with respect to the public land improvements as identified in a memo

prepared by Curt Ward with the Engineering Department. However, the street lights have not yet been installed. When you, Curt and I met with Ryan Fitzgerald in late September 2012 he indicated that he would like to pay the City for the street lights, to be installed by the City, at an agreed price of \$150,684 and reduce the sureties to the minimum necessary for the performance guarantee as required for the 24 month period.

If the request is granted and the payment for the street lights in the amount of \$150,684 is submitted by the developer then surety may be reduced to not less than less than 10%, or \$181,695.00, of the original surety amounts for all public land improvements. Therefore, the developer should submit or deposit with the City an amended or separate irrevocable letter of credit surety in an amount of not less than \$181,695.00, as approved by the City Council, to be held for a period of not less than 24 months. The first reduction and acceptance of certain public land improvements was approved by City Council in November 2011. The surety(s) must be submitted before the current (amendment #1) irrevocable letter of credits are reduced and/or released. This surety shall serve as a guarantee of satisfactory completion and performance of the completed and accepted public land improvements. Furthermore, all other applicable items of the Rochelle Municipal code section 86-56, et seq. shall be satisfied as well. Be advised the developer's payment to the City, for the remaining street light work, needs to be received by January 11, 2013, in the amount of \$150,684. Otherwise the City will need to initiate the draw on the current letters of credit to complete the street light work obligations.

Please consider the reduction of the letters of credits subject to the conditions as identified herein and the acceptance of the public land improvements to be dedicated to or reserved for the City of Rochelle on applicable utility easements and/or right of way as shown on the Lighthouse Pointe Walmart Addition Subdivision final PUD plat.