



City of Rochelle  
Engineering Department

## Memo

**To:** Dave Plyman, City Manager

**CC:** Don Elliott, Supt. of Street Division

Kathy Cooper, Superintendent of water/wastewater RMU

Curt Ward, Engineering Technician

Kip Countryman, Community Development Department

Alan Cooper, City Attorney (via council packet)

**From:** City Engineer - Sam Tesreau

**Date:** January 23, 2013

**Re:** Request for reduction in Wells Fargo, N.A., irrevocable letters of credit No. IS0011167 and No. IS0005797 for certain public land improvements in connection with the Coated Sands Solutions Subdivision final plat and onsite improvements associated with the approved mass grading and site plans

**Encl (1):** City Engineers letter to Joe Ebens, manager for Coated Sands Solutions, dated 1/22/2013

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Mr. Joe Ebens, manager for Coated Sands Solutions, has requested a reduction in the Wells Fargo Bank, N.A. irrevocable letters of credit No. IS0011167 (\$424,000.00) and No. IS0005797 (\$432,130.00) for certain public land improvements along Steward Road and for certain onsite improvements associated with the mass grading and site plan for *Lot 1 of the Coated Sands Solutions Subdivision*.

Letter of credit No. IS0011167 surety was required as part of the Rochelle Municipal Code final plat requirements and the annexation agreement for certain public land improvements for said subdivision along Steward Rd. A majority of the land improvements have been completed and accepted by staff. However, there are some items to be completed such as the shared use path, final grading, restoration, seeding and pavement striping. If the request is granted then letter of credit No. IS0011167 surety should not be reduced to less than 10%, or \$42,400, of the original surety amounts plus an additional \$22,000 for incomplete or outstanding punchlist items subject to the annexation agreement and the City Engineer's letter dated 1/22/2013 (enclosure1). The developer should submit or deposit with the City a new irrevocable letter of credit surety in an amount of no less than \$64,400, as approved by City Council, to be held for a period of not less

than 24 months before the original irrevocable letter of credits are reduced and/or released. Therefore, the new expiration date for this surety shall be no sooner than January 28, 2015. In addition, the developer/subdivider shall submit a certified cashier's check in the amount of \$20,000, payable to the City of Rochelle, for the CSS cost participation of the shared use path along Steward Road per the annexation agreement. This surety of \$64,400 shall serve as a guarantee of satisfactory completion and performance of the completed and accepted public land improvements along Steward Road. Furthermore, all other applicable items of the Rochelle Municipal code section 86-56, et seq. shall be satisfied as well. As a reminder the developer and/or subdivider has two years to complete the public land improvements from the date the final plat was recorded. The final plat for Coated Sands Solutions Subdivision was recorded April 13, 2012.

Letter of credit No. IS0005797 was for the onsite work associated with the stormwater management, mass grading and site plans. There are minor grading, restorations and landscaping items to be completed as well as the submission of the final as built once the work is complete. The as built are required to verify the stormwater management systems, detention, compensatory and other site development improvements in conformance with the approved plans. Therefore, letter of credit No. IS0005797 surety should not be reduced to less than \$16,000 for incomplete or outstanding punchlist items subject to the City Engineer's letter dated 1/22/2013 (enclosure1). This work should be completed by June 30, 2013. The new amended expiration date for this new letter of credit surety shall be no sooner than July 31, 2013.

Please consider the reduction of the letters of credits identified herein and subject to the City Engineers letter dated 1/22/13 as (enclosure 1).



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# City of Rochelle

## Engineering Department

417 N 6<sup>th</sup> Street  
Rochelle, IL 61068  
Tele: (815) 561-2023  
Fax: (815) 562-4178

January 22, 2013

Mr. Joe Ebens, Manager  
Coated Sands Solutions, LLC  
1951 Steward Road  
Rochelle, Illinois 61068

Re: letter of credit sureties for public land improvements and onsite mass grading and site plan improvements for lot 1 as shown on the final plat of Coated Sands Solutions Subdivision. Said subdivision is located along Steward Road in Rochelle, Illinois.

Mr. Ebens,

This office has reviewed your request for a reduction in the Wells Fargo Bank, N.A., irrevocable letters of credit No. IS0011167 and No. IS0005797 for the above referenced project. To date nearly all of the public land improvements items have been completed along Steward Road with the exception of the remaining punchlist items which include, but are not limited to, shared use path, applicable restoration, temporary erosion control removal, utility adjustments and/or manhole adjustments, finish grading/backfilling, seeding, pavement striping and the additional items required for the completion of the as built plans and certification of stormwater management areas. Therefore, it is staff's recommendation that the surety guarantee be reduced upon the following conditions.

- 1) Developer shall complete the land improvements in general conformance with the approved construction and/or site plan(s) and the provisions set forth in the Rochelle Municipal Code (RMC) and the applicable annexation agreement.
- 2) Approval by City Council of the requested reduction in letter of credit as outlined herein.
- 3) Submit **complete** "as built" plan copies and an electronic disk in Autocad 2007 or later format. The "as built" shall contain the appropriate information as described within the Rochelle Municipal code or as requested by City staff. "As built" are required for **all land improvements** covered under the approved Engineers estimate of cost, letter of credit, and the approved construction plans. The "as built" should show the applicable location, elevation, size, rim and invert elevations and/or slope of the water main/service, sanitary main/service, electrical conduit/service, storm sewer and structures, culverts, manholes, pipe drains locations, grading and drainage contours and spot elevations, stormwater detention/retention facilities and other related structures and/or appurtenances, roadways, curb and gutter, sidewalks or other pedestrian paths, striping, street lights, etc. "As built"

shall be referenced to state plan coordinates and NAVD so as to make them compatible with the City's mapping system. Furthermore, the as built shall be certified, by the owner/developer and an Illinois Professional Engineer, that all improvements have been constructed in conformance with the approved construction plans and specifications.

- 4) Lien Waivers in accordance with the Illinois Mechanics Lien Act from all contractors. The existing letter of credit will not be reduced nor a new letter of credit accepted until all lien waivers have been received by the City for the public land improvements installed along Steward Road.
- 5) The value of the Wells Fargo Bank, N.A irrevocable letter of credit No. IS0011167 is \$424,000.00 with a current expiration date of April 5, 2013. Letter of credit surety No. IS0011167 was required as part of the Rochelle Municipal Code final plat requirements and the annexation agreement for certain public land improvements for the CSS subdivision along Steward Rd. A majority of the land improvements have been completed and accepted by staff. However, there are some items to be completed such as the shared use path, final grading, restoration, seeding, pavement striping, utility adjustments and as built. If the request is granted then letter of credit surety No. IS0011167 should not be reduced to less than 10%, or \$42,400, of the original surety amount plus an additional \$22,000 for incomplete or outstanding punchlist items subject to the annexation agreement and the punchlist items contained herein. Furthermore, you must submit a certified cashier's check in the amount of \$20,000, payable to the City of Rochelle, for the CSS cost participation of the shared use path along Steward Road per the annexation agreement.

The developer/subdivider shall submit or deposit with the City a new irrevocable letter of credit surety in an amount of no less than \$64,400, as approved by City Council, to be held for a period of not less than 24 months before the original irrevocable letter of credits are reduced and/or released. Therefore the new expiration date for this surety shall not be sooner than January 28, 2015. This surety shall serve as a guarantee of satisfactory completion and performance of the completed and accepted public land improvements along Steward Road. Furthermore, all other applicable items of the Rochelle Municipal code section 86-56, et seq. shall be satisfied as well.

- 6) Final acceptance, by resolution of the city council, of the public land improvements which have been designated by the city council for acceptance, and acknowledgement, by resolution of the city council, of completion of the public land improvements which have not been designated for acceptance.
- 7) Other items as may be required under section 86-56, et seq. of the Rochelle Municipal Code (RMC).
- 8) The current value of the Wells Fargo Bank, N.A irrevocable letter of credit No. IS0005797 is \$432,130.00 with an expiration date of March 15, 2013.

Letter of credit No. IS0005797 was for the onsite work associated with the stormwater management, mass grading and site plans. There are minor grading, restorations and landscaping items to be completed as well as the submission of the final as built once the work is complete. The as built are required to verify the stormwater management systems, detention, compensatory and other site development improvements in conformance with the approved plans. The as built must be certified, by your engineering consultant, that the site improvements are in conformance with the approved plans. Therefore, letter of credit No. IS0005797 surety should not be reduced to less than \$16,000 for incomplete or outstanding punchlist as identified herein. This onsite work should be completed and final as built submitted to the City by June 30, 2013. The new amended expiration date for this new letter of credit surety shall be no sooner than July 31, 2013. The owner of lot 1 of the CSS Subdivision will be responsible for maintenance of all onsite improvements.

The final plat, of the above referenced subdivision, was recorded on April 13, 2012.

Please be aware that per section 86-54 of the RMC:

(a) All land improvements as defined in this chapter shall be installed and completed within a period of two years after recording of the final plat, unless prior to the expiration of the two-year period an extension of time is requested by the subdivider to complete all of said improvements. Failure of the subdivider to complete all of the said improvements within such two-year period or any extension thereof shall result in forfeiture of the guarantee collateral.

(b) In the event of failure to complete the land improvements in the required period, or any extension thereof, as stated above, the city council may direct that no further building permits be issued for property in such subdivision until acceptance or acknowledgment of completion by the city council of the land improvements.

Should you have any questions or comments please contact my office.

Sincerely,

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Sam Tesreau, P.E.

City Engineer

Cc: Dave Plyman, City Manager  
Bruce McKinney, City Clerk  
Kip Countryman, Community Development  
Don Elliot, Street Division Superintendent  
Kathy Cooper, RMU Water/Water Reclamation Superintendent  
Joe Orlikowski, RMU Electric T&D Superintendent  
Alan Cooper, City Attorney