

Item #6:
Resolution Reducing LOC For Eastgate Estates

VILLAGE OF LONG GROVE
RESOLUTION NO. 2010-R-____

A RESOLUTION AUTHORIZING THE REDUCTION
OF THE LETTER OF CREDIT FOR EASTGATE ESTATES SUBDIVISION
FOR FIDELITY WES OF EASTGATE, INC.

WHEREAS, pursuant to Section 6-5-6 of the Village Code, the Village of Long Grove requires an irrevocable letter of credit to secure required improvements prior to the approval of a final plat of subdivision; and

WHEREAS, Fidelity Wes of Eastgate, Inc. ("**Developer**") provided to the Village Letter of Credit No. 1653-102 totaling \$995,290.00 ("**Letter of Credit**") to secure public improvements required pursuant to that Ordinance approving the planned unit development for the Eastgate Estates Subdivision PUD;

WHEREAS, Resolution 2008-R-06 "A Resolution Authorizing The Reduction Of The Letter Of Credit For Eastgate Estates Subdivision For Fidelity Wes Of Eastgate, Inc." was approved on February 26, 2009 reducing to the Village Letter of Credit No. 1653-102 from the original amount of \$995,290.00 ("**Letter of Credit**") to \$644,729.13 to more accurately reflect the work that remained to be completed and performed;

WHEREAS, Resolution 2009-R-30 "A Resolution Authorizing The Further Reduction Of The Letter Of Credit For Eastgate Estates Subdivision For Fidelity Wes Of Eastgate, Inc." was approved on July 14, 2009 reducing to the Village Letter of Credit No. 1653-102 from the amount of \$644,729.13 ("**Letter of Credit**") to \$304,344.13 to more accurately reflect the work that remained to be completed and performed;

WHEREAS, Resolution 2010-R-06 "A Resolution Authorizing The Further Reduction Of The Letter Of Credit For Eastgate Estates Subdivision For Fidelity Wes Of Eastgate, Inc." was approved on February 9, 2010 reducing to the Village Letter of Credit No. 1653-102 from the amount of \$304,344.13 ("**Letter of Credit**") to \$118,268.81 to more accurately reflect the work that remained to be completed and performed;

WHEREAS, the Developer is requesting that the Letter of Credit be reduced a forth time to more accurately reflect the work that remains to be completed and performed; and

WHEREAS, based on the recommendation of the Village Engineer, various elements of the improvements for which the Letter of Credit were required have been satisfactorily completed and approved by the Village, thereby warranting a third partial reduction in the Letter of Credit from \$118,268.81 to the principal amount of \$58,833.86

Letter Of Credit	Original Amount	Reduction 3	Requested Amount Reduction 4	Req. %	Recommended Reduction 4 Amount	Rec. %
Schedule I- Excavation and Grading improvements	\$312,611.00	\$33,095.25	\$15,285.25	86%	\$15,285.25	86%
Schedule II- Storm Sewer Improvements	\$164,533.00	\$72,091.00	\$7,046.70	97%	\$7,046.70	97%
Schedule III- Fire Protection Improvements	\$6,500.00	\$0.00	\$0.00	100%	\$0.00	100%
Schedule IV- On-Site Roadway Improvements	\$152,560.00	\$51,280.00	\$0.00	100%	\$0.00	100%
Schedule V- Landscaping Improvements	\$249,250.00	\$0.00	\$0.00	100%	\$0.00	100%
Schedule VI- Wetland Enhancements	\$19,354.75	\$14,516.06	\$0.00	75%	\$0.00	75%
Total of Schedules	\$904,808.75	\$170,982.31	\$22,331.95	98%	\$22,331.95	94%
10% Retainer	\$90,480.88	\$15,093.00	\$37,103.00	0%	\$37,103.00	58%
Total Letter of Credit Remaining	\$995,289.63	\$118,268.81	-	-	\$58,833.86	6%

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE VILLAGE OF LONG GROVE, LAKE COUNTY, ILLINOIS, THAT:

Section 1: Recitals. The recitals set forth above are incorporated as a part of this Resolution by this reference.

Section 2: Reduction of Letter of Credit. The Letter of Credits with a face amount of \$304,344.13 shall be and are hereby reduced to the amount of \$58,833.86, which amount shall be secured by letter of credit in the amount of \$58,833.86 to secure completion and performance of the improvements that remain to be completed. The Village Manager and Village Treasurer are hereby authorized and directed to take such action as may be necessary consistent with this Resolution.

Section 3: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law.

PASSED THIS 22ND DAY OF JUNE, 2010.

AYES: ()

NAYS: ()

ABSENT: ()

APPROVED THIS 22ND DAY OF JUNE, 2010.

Village President, Maria Rodriguez

ATTEST:

Village Clerk, Karen Schultheis



David Lothspeich
Village Manager
Village of Long Grove
3110 RFD
Long Grove, Illinois 60047

June 16, 2010

**Re: Eastgate Estates Letter of Credit Reduction
ESI # 04-026-018-01 BG #49
Letter of Credit Reduction #4
Ref#: 1653-102**

Dear Mr. Lothspeich:

Fidelity Wes has requested a reduction of the Letter of Credit for Eastgate Estates Subdivision in the amount of \$59,434.95 from the current amount of \$118,268.81. They have submitted a copy of the Engineer's Estimate of Cost with the percentages of each line item believed to be complete, in accordance with Village policy. We have reviewed the plans and received a report from a field inspection done with SMC. In response to their Letter of Credit Reduction request we offer the following comments and summary.

Fidelity Wes has requested a 90% reduction to various Erosion control items. Note that Erosion control items cannot be reduced without written approval from Lake County Stormwater Management Commission. LCSMC has approved the Village of Long Grove to be in control of these items per a phone conversation with Jodi McCarthy.

SMC further stated that remaining items could be reduced again in the spring down to 10% based on the completion of punchlist items including the permanent stabilization has been established. We are approving certain items be reduced to this 10% threshold, but not for the items pertaining to the seeding of the detention basin side slopes. All other items reduced to 90% are considered to be placed on maintenance. These items include: Silt Fence, Triangular Silt Dyke, Erosion Control Blanket 75-350, Clay Excavation and Embankment, Temporary Floc Log, Rip Rap w/Fabric, Inlet filter, Televis Storm Sewer line, Temporary PVC Riser. These will remain on the LOC for a period of one year from the date of this approval. Please note that the reduction of the storm sewer televising is conditional upon receiving a video copy of the storm sewer televising and finding no faults in the system.

As a reminder I have left this section in the reduction recommendation letter: For your reference, note that "completed" items (items reduced 100%) will continue with a 10% maintenance letter of credit. Pursuant to this (*previous*) letter of credit reduction these items include the fire protection improvements, various excavation and grading improvements, various storm sewer improvements and all of the roadway improvements. Note that while the roadway improvements are on maintenance, the surface and binder will have a required 5-year maintenance period due to the lack of inspection during the installation. This \$4,230 will be required to be held as part of the original Eastgate Estates LOC. After a period of five years Eastgate Estates will request for an inspection of the roadway and a punchlist will be created of patching locations. Eastgate Estates will then complete the patching in these designated areas and inform the Village of Long Grove that they are ready for inspection. Upon an inspection finding that these patches are completed the maintenance can be reduced. Additionally there is \$250,000 maintenance LOC for the community septic

field that is required in the approval ordinance for Eastgate Estates. This will not take effect until after approval by the Lake County Health Department. And after a period of five years this security will be eligible for reduction upon approval by Lake County Health Department.

Items that have been reduced to maintenance for over one year are eligible for reduction. The developer has requested that these amounts be reduced in writing as is the village standard. Therefore there are thirteen items that were reduced to maintenance in the second LOC reduction (6-29-09) that can be reduced. These items are construction entrance, gravity retaining wall, aggregate base course, Guardrail, 4' bituminous path and aggregate base, and the entire landscaping improvements section. The total amount of maintenance for these items is \$37,103.00 which we are recommending for reduction. The amount of maintenance remaining is \$38,284.88. There is \$20,549 of general LOC reduction that is possible upon inspections showing that the pond side slopes are stabilized, the temporary riser pipes are removed, and the codes, covenants, and restrictions are recorded and provided to the village. Upon receipt of this the village of Long Grove will reduce this amount. The maintenance will continue with the \$38,248.88 until February of 2011 when it is next eligible for its next reduction.

The recommended letter of credit reduction is actually higher than the requested amount due to calculation errors in the spreadsheet submitted by the developer and the additional maintenance reduction that was not requested by the developer. The amounts shown are the corrected amounts and accurately represent the developer's intended request for reduction.

In conclusion, we recommend that the total amount of the Letter of Credit be reduced to \$58,833.86 (a reduction of \$59,434.95) with \$20,548.99 for general LOC and \$38,248.88 for maintenance. Please see the chart provided below to help clarify what amounts will be remaining in each category.

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Total Letter of Credit Remaining	\$995,289.63	\$118,268.81	-	-	\$58,833.86	6%

Please call (630) 420-1700 if you have any questions or would like additional information.

Sincerely,
ESI Consultants, LTD.

Brian Witkowski, P.E.

Cc Mike DeMar- Fidelity Wes
 Joseph Chiczewski, P.E.- *President ESI/Village Engineer*
 Jodi McCarthy, SMC