

Item #3:
Resolution Further Reducing The LOC For Sunset Grove

**VILLAGE OF LONG GROVE
RESOLUTION NO. 2011-R-___**

**A RESOLUTION AUTHORIZING THE FURTHER REDUCTION (NINTH) OF
A LETTER OF CREDIT FOR SUNSET GROVE**

WHEREAS, pursuant to Section 15 of the "Redevelopment Agreement between the Village of Long Grove and Sunset Grove Development Project Corp. (Sunset Grove Project)" dated March 25, 2008, as it may be amended from time-to-time ("**Redevelopment Agreement**"), the Village of Long Grove requires an irrevocable letter of credit as security to the Village for the performance by Sunset Grove LLC ("**Developer**") of Developer's obligations to construct and complete the Public Improvements and Private Improvements (as defined in the Redevelopment Agreement); and

WHEREAS, the Developer provided to the Village "Letter of Credit No. 620266800-501," in the amount of \$3,913,543.72, to secure certain public improvements required pursuant to the Redevelopment Agreement, ("**Letter of Credit**"); and

WHEREAS, based on the recommendation of the Village Engineer, on May 25, 2010, the Village Board passed Resolution No. 2010-R-20, authorizing a reduction in the Letter of Credit to the amount of \$3,888,293.33; and

WHEREAS, based on the recommendation of the Village Engineer, on June 22, 2010, the Village Board passed Resolution No. 2010-R-24, authorizing the further (second) reduction in the Letter of Credit to the amount of \$3,804,131.33; and

WHEREAS, based on the recommendation of the Village Engineer, on July 27, 2010, the Village Board passed Resolution No. 2010-R-28, authorizing the further (third) reduction in the Letter of Credit to the amount of \$3,778,077.83; and

WHEREAS, based on the recommendation of the Village Engineer, on August 24, 2010, the Village Board passed Resolution No. 2010-R-31, authorizing the further (fourth) reduction in the Letter of Credit to the amount of \$3,778,077.83; and

WHEREAS, based on the recommendation of the Village Engineer, on September 14, 2010, the Village Board passed Resolution No. 2010-R-33, authorizing the further (fifth) reduction in the Letter of Credit to the amount of \$2,402,243.66; and

WHEREAS, based on the recommendation of the Village Engineer, on September 28, 2010, the Village Board passed Resolution No. 2010-R-35, authorizing the further (sixth) reduction in the Letter of Credit to the amount of \$2,282,124.91 (the "**Reduced Amount**"); and

WHEREAS, based on the recommendation of the Village Engineer, on September 28, 2010, the Village Board passed Resolution No. 2010-R-39, authorizing the further (seventh) reduction in the Letter of Credit to the amount of \$1,713,937.50 (the "**Reduced Amount**"); and

WHEREAS, based on the recommendation of the Village Engineer, on September 28, 2010, the Village Board passed Resolution No. 2010-R-47, authorizing the further (eighth) reduction in the Letter of Credit to the amount of \$1,353,138.30 (the "**Reduced Amount**"); and

WHEREAS, the Developer is now requesting that the Letter of Credit be further reduced (eighth) to more accurately reflect the work that remains to be completed and performed; and

WHEREAS, based on the recommendation of the Village Engineer as set forth in Exhibit A attached hereto, various elements of the improvements for which the Letter of Credit was required have been satisfactorily completed and approved by the Village, thereby warranting a partial reduction in the Letter of Credit from \$1,353,138.30 to the principal amount of \$727,848.42;

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 Credit in the Reduced Amount of \$1,353,138.301 shall be and is hereby reduced to the amount of \$727,848.42. 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 MARCH, 2011.

AYES: () Trustees XXXX, XXXX,

NAYS: ()

ABSTAIN: ()

ABSENT: ()

APPROVED THIS 22ND DAY OF MARCH, 2011.

Village President, Maria Rodriguez

ATTEST:

Village Clerk, Karen Schultheis

EXHIBIT A

VILLAGE ENGINEER RECOMMENDATION

ESI

ESI CONSULTANTS, LTD
Excellence, Service, Integrity
NAPERVILLE • CHARLESTON
CHICAGO • ELIZABETH

March 15, 2011

Mr. David Lothspeich
3110 RFD Old McHenry Road
Long Grove, IL 60047

RE: Sunset Groves Payout 11
ESI Project Number 04-026-018-01 BG# 72

Dear Dave,

This letter is regarding the recent request by Sunset Groves LLC to release funds from the Construction Letter of Credit pursuant to the requirements of the RDA. Jack Shum of Lakewood sent the 11th request for reduction via mail on February 28, 2011. This request included the following:

- Cover Letter from Lakewood Real Estate Solutions describing the requested amount of reduction in each section dated February 24, 2011, hard copied received February 28, 2011
- E-mail with OZ Engineering reports November, 2010 through January 31, 2011, hard copy received February 28, 2011
- Excel spreadsheet organized to match our breakdown of items showing what items have been completed to what percentage in order to back-up the current payment request.
- Application and certification for reduction in the performance letter of credit signed by Lakewood and Manhard certifying that this calculation is correct and is requesting 797,467.78 in payment. 4,459,790.26 completed minus 3,662,322.78 previously paid, hard copy received March 2, 2011

Based on these documents Lakewood Real Estate Solutions has completed an application for payment to the Village of Long Grove in the amount of \$797,467.78 (\$4,459,790.26 less previous amount of \$3,662,322.78).

Subject to the accuracy of the information provided we recommend approval of \$625,289.88 as the amount reduced at this time which is 78.4% of the requested reduction. The difference in the amount requested and the amount recommended for payment is due mainly to minor differences in most categories between the percent complete and ESI's opinion of the work remaining. The majority of this difference is due to the remaining punchlist items to be completed that did not appear to be reflected in the LOC reduction request. As of the date of this letter, we have not received confirmation that the punchlist items are complete.

When an engineer's certified statement that the punchlist work is complete is provided, we will inspect the items and assuming this is confirmed we would recommend reducing the letter of credit for the appropriate items to maintenance. Please note that there are some items that can't be reduced to maintenance until the growing season due to stabilization requirements.

With approval of this performance guarantee reduction it will leave \$727,848.42 in the account as Performance Guarantee which we believe to be reasonable and appropriate based on the remaining work.

Sincerely,
ESI Consultants, Ltd

A handwritten signature in black ink that reads "Brian Witkowski" with a small "es" subscript at the end.

Brian Witkowski, P.E.
Enforcement Officer

Attachment

CC: Jack Shum, Sunset Groves LLC
Vic Filipini, Holland and Knight
Joseph Chiczewski / File, ESI Consultants

ESI

www.esiconsultantsltd.com

Section	Requested Reduction:1	Requested Reduction:10	Recommended Reduction:10	Requested Reduction:11	Recommended Reduction:11
Sediment and Erosion Control	\$ 6,300.00	\$ 13,655.00	\$ 13,655.00	\$ 37,160.00	\$ 20,020.00
Earthwork	\$ 564,823.25	\$ 806,403.75	\$ 806,403.75	\$ 831,697.50	\$ 823,903.75
Sanitary Sewer Improvements	\$ 169,051.50	\$ 179,417.39	\$ 178,682.39	\$ 350,094.00	\$ 347,419.50
Water Main Improvements	\$ 100,856.50	\$ 202,112.50	\$ 181,901.25	\$ 192,020.00	\$ 181,901.25
Storm Sewer Improvements	\$ 158,599.00	\$ 248,280.60	\$ 248,280.60	\$ 313,258.22	\$ 282,072.27
ON-Site Roadway Improvements	\$ -	\$ 883,679.41	\$ 883,694.59	\$ 1,385,844.37	\$ 1,282,579.41
IL Route 83 Road Improvements	\$ -	\$ 1,349,716.17	\$ 1,349,716.17	\$ 1,349,716.17	\$ 1,349,716.17
CUMULATIVE TOTAL	\$ 999,630.25	\$ 3,683,264.82	\$ 3,682,322.47	\$ 4,459,790.26	\$ 4,287,612.35
		Payout 1			Payout 11
Grand Summary	\$ 529,675.83	\$ 360,799.19	\$	\$	\$ 625,289.88
EOPC Remaining	\$ 4,485,784.94	\$ 1,353,138.30	\$	\$	\$ 727,848.42

