

Item #3:
Resolution Further Reducing LOC's For Menards

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

A RESOLUTION AUTHORIZING THE FOURTH
REDUCTION OF THE LETTERS OF CREDIT FOR
MENARDS RETAIL DEVELOPMENT, MENARD 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, Menard, Inc. ("*Developer*") provided to the Village Letters of Credit No's: SLCMMSP04820; and SLCMMSP04842; totaling \$12,803,616.93 ("*Letters of Credit*") to secure public improvements required pursuant to that Ordinance approving the planned unit development for the Menard's Retail Development PUD;

WHEREAS, based on the recommendation of the Village Engineer, various elements of the improvements for which the Letter of Credit was required had been satisfactorily completed and approved by the Village, thereby warranting a partial reduction in the Letters of Credit from the principal amount of \$12,803,616.93 to \$3,562,847.08 on March 24, 2009;

WHEREAS, based on the recommendation of the Village Engineer, various elements of the improvements for which the Letter of Credit was required had been satisfactorily completed and approved by the Village, thereby warranting a second partial reduction in the Letters of Credit from the principal amount of \$3,562,847.08 to \$2,551,531.73 on August 25, 2009;

WHEREAS, based on the recommendation of the Village Engineer, various elements of the improvements for which the Letter of Credit was required had been satisfactorily completed and approved by the Village, thereby warranting a third partial reduction in the Letters of Credit from the principal amount of \$2,551,531.73 to \$1,849,839.23 on April 13, 2010;

WHEREAS, the Developer is requesting that the Letters of Credit be reduced a fourth 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 Letters of Credit were required have been satisfactorily completed and approved by the Village, thereby warranting a fourth partial reduction in the Letters of Credit from the principal amount of \$1,849,839.23 to \$1,163,965.18;

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 Letters of Credit with a face amount of \$1,849,839.23 shall be and are hereby reduced to the amount of \$1,163,965.18, which amount shall be secured by letters of credit in the amount of \$1,163,965.18 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.

EOPC title	Original EOPC Amount including Maintenance	LOC Remaining
Retail Development	\$ 6,534,610.78	\$ 594,055.53
Route 53 Improvement	\$ 2,242,861.50	\$ 203,896.50
Off-Site Sanitary	\$ 4,026,144.65	\$ 366,013.15
TOTALS	\$ 12,803,616.93	\$ 1,163,965.18

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; provided that this Resolution shall not take effect unless and until all outstanding fees, charges, penalties and fines due to the Village as of the date of passage shall have been paid.

PASSED this 12th day of October, 2010.
AYES: Trustees XXXX, XXXXX
NAYS:
ABSENT:
APPROVED this 12th day of October, 2010.

Village President, Maria Rodriguez

ATTEST:

Village Clerk, Karen Schultheis



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

October 5th, 2010

**Re: Menards Letter of Credit Reduction
ESI Project # 04-026-018-01-01-00 BG #8
Letter of Credit Reduction #5**

Dear Mr. Lothspeich:

Menards Incorporated has requested a reduction of the Letter of Credit for Menards Off-site and On-site Improvements. We have reviewed the project and copies of various correspondences (attached) related to the existing Letter of Credit in the amount of \$1,849,839.23.

In an e-mail from Theron Berg Menard, Inc has requested that the Letter of Credit be reduced in a manner reflecting that all work is 100% complete on the site. There has been a detailed review and a field inspection of the as-builts done by ESI Consultants Ltd.

Please note that "completed" items will continue with a 10% maintenance letter of credit including the demolition for a period of one year when they will be inspected again and then upon final acceptance they will be fully reduced. The first issue requiring resolution was storm sewer capacity calculations showing that the 100-year flow is still contained within this pipe, this was provided by Manhard Consultants on 5/24/2010. Additionally the equalizer pipe that takes the flow from pond "A" to pond "B" needs to be located or installed if not currently installed before the storm sewer can be fully reduced. Evidence that this was installed was provided on 9/2/2010

We are recommending that the portion of the LOC described as Menards Retail Development be altered from \$1,242,429.58 to \$594,055.53 with a maintenance amount of \$594,055.53. The requested reduction for the Menards Retail Development is \$588,968.51, while we are recommending that the amount in this category actually be reduced \$648,374.05. We are recommending additional release than what is requested. Both the retail development section and the Route 53 improvements request are requesting less than the 100% reduction due to math error. Therefore we are recommending that all items be placed on maintenance at the October 12th board meeting in accordance with their written request and ignoring the math error.

We are recommending that the LOC described as IL Route 53 Improvements be reduced from \$241,396.50 to \$203,896.50 including \$203,896.50 for maintenance. The requested reduction for the IL Route 53 Improvements is \$17,110.35, while we are recommending that the reduction is equal to \$37,500. This is recommended for reduction higher than the requested amount due to the math error previously stated.

The LOC described as Off-site Sanitary Improvements were not requested for reduction at this time.

In conclusion, we recommend that the total amount of the Letter of Credit be reduced at this time to a total amount of \$1,163,965.18 or approximately 10% of the original LOC. Please see the chart provided below to help clarify what amounts will be remaining in each category.

EOPC title	Original EOPC Amount including Maintenance	LOC Remaining
Retail Development	\$ 6,534,610.78	\$ 594,055.53
Route 53 Improvement	\$ 2,242,861.50	\$ 203,896.50
Off-Site Sanitary	\$ 4,026,144.65	\$ 366,013.15
TOTALS	\$ 12,803,616.93	\$ 1,163,965.18

Please let me know if you have any questions or would like additional information.

Sincerely,
ESI CONSULTANTS, LTD.



Brian Witkowski, P.E.
Enforcement Officer, Village of Long Grove

Cc Theron Berg, Menard Inc.
David Lothspeich, Village Manager Long Grove
Joe Chiczewski, Village Engineer, President ESI

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ESI

www.esiconsultantsltd.com

MENARD, INC.

November 20, 2009

Mr. David Lothspeich
Village Hall
3110 Old McHenry Road
Long Grove, Illinois 60047
Phone: (847) 634-9440

VIA REGULAR MAIL ONLY

RECEIVED

SEP 23 2010

VILLAGE OF LONG GROVE

Re: Menards – Long Grove, Illinois

Dear Dave:

The purpose of this letter is to request a further reduction of the letter of credit for the Menards On-Site and Off-Site Improvements. The current letter of credit is for \$1,849,839.23. The amount of the requested LOC is \$1,243,760.03. The calculation is set forth below. All improvements should be in the one year maintenance period.

	Original LOC	Current LOC	Requested LOC
Retail Development	\$6,534,610.78	\$1,242,429.58	\$653,461.07
Route 53	\$2,242,861.50	\$241,396.50	\$224,286.15
Off-Site Sanitary	\$4,026,144.65	\$366,013.15	\$366,013.15
Total	\$1,849,839.23	\$1,849,839.23	\$1,243,760.03

If you have any questions or comments please contact me at the numbers listed below.

Cordially,



Theron J. Berg
Real Estate Manager
Menard, Inc.
Phone: (715) 876-2391
Fax: (715) 876-2743
E-Mail: tberg@menard-inc.com

Enclosure

ENGINEER'S OPINION OF PROBABLE COST
MENARDS RETAIL DEVELOPMENT
LONG GROVE, IL
November 17, 2006 - Original OPC
September 20, 2010 - Bond Reduction Request

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION	COMPLET	COMPLETE
ON SITE IMPROVEMENTS							
SCHEDULE I - ON-SITE EXCAVATION AND EMBANKMENT							
1.	Clearing, Grubbing, and Tree Removal	1	LUMP SUM	\$43,500.00	\$43,500.00	100%	\$43,500.00
2.	Excavation and Embankment	140,000	CY	\$3.00	\$420,000.00	100%	\$420,000.00
3.	Topsoil Stripping and Stockpiling	46,200	CY	\$3.00	\$138,600.00	100%	\$138,600.00
4.	6" Topsoil Respread/Seeding	5,000	SY	\$3.00	\$15,000.00	100%	\$15,000.00
5.	Erosion Control	1	LUMP SUM	\$80,000.00	\$80,000.00	100%	\$80,000.00
6.	Construction Entrance	2	EACH	\$2,500.00	\$5,000.00	100%	\$5,000.00
7.	Demolition	1	LUMP SUM	\$300,000.00	\$300,000.00	100%	\$300,000.00
8.	Retaining Wall	6,600	SF	\$25.00	\$165,000.00	100%	\$165,000.00
TOTAL SCHEDULE I - ON-SITE EXCAVATION AND EMBANKMENT					\$1,077,000.00	\$1,077,000.00	
SCHEDULE II - ON-SITE UNDERGROUND IMPROVEMENTS							
A. ON-SITE STORM SEWER IMPROVEMENTS							
1.	4" PVC Storm Sewer	280	LF	\$16.00	\$4,480.00	100%	\$4,480.00
2.	10" PVC Storm Sewer	260	LF	\$24.00	\$6,240.00	100%	\$6,240.00
3.	15" PVC Storm Sewer	115	LF	\$40.00	\$4,600.00	100%	\$4,600.00
4.	18" PVC Storm Sewer	230	LF	\$45.00	\$10,350.00	100%	\$10,350.00
5.	12" RCP Storm Sewer	1,280	LF	\$19.00	\$24,320.00	100%	\$24,320.00
6.	15" RCP Storm Sewer	530	LF	\$24.00	\$12,720.00	100%	\$12,720.00
7.	18" RCP Storm Sewer	950	LF	\$29.00	\$27,550.00	100%	\$27,550.00
8.	21" RCP Storm Sewer	260	LF	\$33.00	\$8,580.00	100%	\$8,580.00
9.	24" RCP Storm Sewer	265	LF	\$38.00	\$10,070.00	100%	\$10,070.00
10.	30" RCP Storm Sewer	575	LF	\$48.00	\$27,600.00	100%	\$27,600.00
11.	36" RCP Storm Sewer	800	LF	\$58.00	\$46,400.00	100%	\$46,400.00
12.	42" RCP Storm Sewer	900	LF	\$68.00	\$61,200.00	100%	\$61,200.00
13.	48" RCP Storm Sewer	80	LF	\$77.00	\$6,160.00	100%	\$6,160.00
14.	24" Equalizer Pipe	175	LF	\$38.00	\$6,650.00	100%	\$6,650.00
15.	30" Precast Concrete Flared End Section w/Grate #22	1	EACH	\$800.00	\$800.00	100%	\$800.00
16.	Precast Concrete Flared End Section for 8"-18"	4	EACH	\$800.00	\$3,200.00	100%	\$3,200.00
17.	Precast Concrete Flared End Section for 24"-48"	1	EACH	\$2,500.00	\$2,500.00	100%	\$2,500.00
18.	2'-0" Diameter Inlet (Frame and Grate)	11	EACH	\$900.00	\$9,900.00	100%	\$9,900.00
19.	4'-0" Diameter Catch Basin (Frame and Grate)	9	EACH	\$1,500.00	\$13,500.00	100%	\$13,500.00
20.	8'-0" Diameter Catch Basin (Frame and Grate)	1	EACH	\$4,250.00	\$4,250.00	100%	\$4,250.00
21.	Oil and Grease Separator Catchbasin	7	EACH	\$3,000.00	\$21,000.00	100%	\$21,000.00
22.	4'-0" Diameter Manhole (Frame and Grate)	8	EACH	\$1,500.00	\$12,000.00	100%	\$12,000.00
23.	5'-0" Diameter Manhole (Frame and Grate)	8	EACH	\$2,000.00	\$16,000.00	100%	\$16,000.00
24.	6'-0" Diameter Manhole (Frame and Grate)	6	EACH	\$8,000.00	\$48,000.00	100%	\$48,000.00
25.	Cleanout	2	EACH	\$500.00	\$1,000.00	100%	\$1,000.00
26.	7'-0" Diameter Manhole (Frame and Grate)	1	EACH	\$5,000.00	\$5,000.00	100%	\$5,000.00
27.	Rip Rap	35	SY	\$65.00	\$2,275.00	100%	\$2,275.00
28.	Outlet Control Structure	1	EACH	\$3,500.00	\$3,500.00	100%	\$3,500.00
29.	Trench Backfill	9,420	CY	\$25.00	\$235,500.00	100%	\$235,500.00
30.	Vegetated Biofiltration Swale	1,300	LF	\$16.00	\$20,800.00	100%	\$20,800.00
SUBTOTAL A - ON-SITE STORM SEWER IMPROVEMENTS					\$656,145.00	\$656,145.00	
B. ON-SITE WATER MAIN IMPROVEMENTS							
1.	1" Copper Pipe	40	LF	\$15.00	\$600.00	100%	\$600.00
2.	1.5" Copper Pipe	225	LF	\$17.50	\$3,937.50	100%	\$3,937.50
3.	3" C-900 PVC/DI	110	LF	\$20.00	\$2,200.00	100%	\$2,200.00
4.	6" C-900 PVC/DI	555	LF	\$26.00	\$14,430.00	100%	\$14,430.00
5.	8" C-900 PVC/DI	6,540	LF	\$34.00	\$222,360.00	100%	\$222,360.00
6.	12" C-900 PVC/DI	220	LF	\$40.00	\$8,800.00	100%	\$8,800.00
7.	36" RCP	45	LF	\$55.00	\$2,475.00	100%	\$2,475.00
8.	8" Post Indicator Valve & Vault, STD 4' Dia. w/FR & Lid	11	EACH	\$3,350.00	\$36,850.00	100%	\$36,850.00
9.	Fire Hydrant with Auxiliary Valve	11	EACH	\$2,700.00	\$29,700.00	100%	\$29,700.00
10.	Bollards	6	EACH	\$250.00	\$1,500.00	100%	\$1,500.00

ENGINEER'S OPINION OF PROBABLE COST
 MENARDS RETAIL DEVELOPMENT
 LONG GROVE, IL
 November 17, 2006 - Original OPC
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ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION	COMPLET	COMPLETE
11.	Drafting Manhole	1	EACH	\$2,300.00	\$2,300.00	100%	\$2,300.00
12.	Trench Backfill	6,905	CY	\$18.00	\$124,290.00	100%	\$124,290.00
13.	Fire Protection Pump Building	1	EACH	\$610,000.00	\$610,000.00	100%	\$610,000.00
SUBTOTAL B - ON-SITE WATER MAIN IMPROVEMENTS					\$1,059,442.50		\$1,059,442.50
C. ON-SITE SANITARY SEWER IMPROVEMENTS							
1.	1" Forcemain	910	LF	\$16.00	\$14,560.00	100%	\$14,560.00
2.	6" PVC Sanitary Sewer	135	LF	\$20.00	\$2,700.00	100%	\$2,700.00
3.	8" PVC Sanitary Sewer	950	LF	\$25.00	\$23,750.00	100%	\$23,750.00
4.	10" PVC Sanitary Sewer	805	LF	\$70.00	\$56,350.00	100%	\$56,350.00
5.	4' Diameter Manhole 0' - 8'	5	EACH	\$2,300.00	\$11,500.00	100%	\$11,500.00
6.	4' Diameter Manhole 8' - 12'	3	EACH	\$2,500.00	\$7,500.00	100%	\$7,500.00
7.	4' Diameter Manhole 12' - 16'	3	EACH	\$3,000.00	\$9,000.00	100%	\$9,000.00
8.	Connect to Existing Manhole	2	EACH	\$1,000.00	\$2,000.00	100%	\$2,000.00
9.	Cleanouts	4	EACH	\$500.00	\$2,000.00	100%	\$2,000.00
10.	Trench Backfill	4,750	CY	\$40.00	\$190,000.00	100%	\$190,000.00
SUBTOTAL C - ON-SITE SANITARY SEWER IMPROVEMENTS					\$319,360.00		\$319,360.00
TOTAL SCHEDULE III ON-SITE UNDERGROUND IMPROVEMENTS					\$2,034,947.50		\$2,034,947.50

ENGINEER'S OPINION OF PROBABLE COST
MENARDS RETAIL DEVELOPMENT
LONG GROVE, IL
November 17, 2006 - Original OPC
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ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	EXTENSION	COMPLET	COMPLETE
SCHEDULE III - ON-SITE PARKING IMPROVEMENTS							
1.	Subgrade Preparation	49,100	SY	\$1.00	\$49,100.00	100%	\$49,100.00
2.	Aggregate Base Course - 8", Type B	13,750	SY	\$9.00	\$123,750.00	100%	\$123,750.00
3.	Aggregate Base Course - 10", Type B	20,700	SY	\$10.00	\$207,000.00	100%	\$207,000.00
4.	Aggregate Base Course - 14", Type B	28,400	SY	\$14.00	\$397,600.00	100%	\$397,600.00
5.	Bituminous Concrete Binder Course, Superpave - 2.25", N50	20,700	SY	\$10.00	\$207,000.00	100%	\$207,000.00
6.	Bituminous Concrete Surface Course, Superpave - 1.5", N50	20,700	SY	\$6.50	\$134,550.00	100%	\$134,550.00
7.	Bituminous Concrete Binder Course, Superpave - 3", N50	28,400	SY	\$12.50	\$355,000.00	100%	\$355,000.00
8.	Bituminous Concrete Surface Course, Superpave - 2", N50	28,400	SY	\$8.50	\$241,400.00	100%	\$241,400.00
9.	Portland Cement Concrete - 7"	13,750	SY	\$25.00	\$343,750.00	100%	\$343,750.00
10.	Comb. Concrete Curb & Gutter, M.6-12	9,750	LF	\$17.00	\$165,750.00	100%	\$165,750.00
11.	Turn Lane Pavement Marking (Arrows and "Only)	4	EACH	\$200.00	\$800.00	100%	\$800.00
12.	Directional Arrows	60	EACH	\$100.00	\$6,000.00	100%	\$6,000.00
13.	"Stop" Signage	7	EACH	\$250.00	\$1,750.00	100%	\$1,750.00
14.	Handicap Signage	10	EACH	\$250.00	\$2,500.00	100%	\$2,500.00
15.	24" White Stop Bar	7	EACH	\$100.00	\$700.00	100%	\$700.00
16.	4" Yellow Striping	31,025	LF	\$0.75	\$23,268.75	100%	\$23,268.75
17.	6" White Striping	210	LF	\$0.90	\$189.00	100%	\$189.00
18.	Split Rail Fence	1,360	LF	\$35.00	\$47,600.00	100%	\$47,600.00
19.	PCC Sidewalk	8,800	LF	\$3.50	\$30,800.00	100%	\$30,800.00
TOTAL SCHEDULE III ON-SITE PARKING IMPROVEMENTS					\$2,338,507.75		\$2,338,507.75
SCHEDULE IV - ON-SITE LANDSCAPE IMPROVEMENTS							
1.	Landscape	1	LS	\$300,000.00	\$300,000.00	100%	\$300,000.00
2.	Irrigation	1	LS	\$100,000.00	\$100,000.00	100%	\$100,000.00
TOTAL SCHEDULE IV ON-SITE LANDSCAPE IMPROVEMENTS					\$400,000.00		\$400,000.00
GRAND TOTAL ON-SITE IMPROVEMENTS (SCHEDULES I-IV)					\$5,940,555.25		\$5,940,555.25

THIS ENGINEER'S OPINION OF PROBABLE COSTS WAS GENERATED USING THE FINAL ENGINEERING PLANS DATED 11-8-06.

Prepared By: Manhard Consulting, Ltd.
900 Woodlands Parkway
Vernon Hills, Illinois 60061

NOTE: This Engineer's Opinion of Probable Cost is made on the basis of Engineer's experience and qualifications using plan quantities and represents Engineer's best judgment as an experienced and qualified professional engineer generally familiar with the construction industry. However, since the Engineer has no control over the cost of labor, materials, equipment or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, or over quantities of work actually performed, Engineer cannot and does not guarantee that proposals, bids or actual Construction Cost will not vary from Opinions of Probable Cost prepared by Engineer. This Opinion of Probable Construction Cost is limited to those items stated herein and does not include permit fees, recapture costs, consultant fees, landscaping, dewatering, maintenance, bonds or the like.