

**Item #3:**

**Resolution Further Reducing LOC For Eastgate Estates Subdivision**

VILLAGE OF LONG GROVE  
RESOLUTION NO. 2009-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**, the Developer is requesting that the Letter of Credit be reduced a third 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 \$304,344.13 to the principal amount of \$118,268.81;

<b>Letter Of Credit</b>	<b>Original Amount</b>	<b>Reduction 2</b>	<b>Requested Amount Reduction 3</b>	<b>Req. %</b>	<b>Recommended Reduction 3 Amount</b>	<b>Rec. %</b>
Schedule I- Excavation and Grading improvements	\$312,611.00	\$24,305.00	\$30,785.50	91%	\$33,095.25	92%
Schedule II- Storm Sewer Improvements	\$164,533.00	\$0.00	\$72,091.00	93%	\$72,091.00	93%
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	\$66,830.00	\$46,280.00	97%	\$51,280.00	100%
Schedule V- Landscaping Improvements	\$249,250.00	\$249,250.00	\$0.00	100%	\$0.00	100%
Schedule VI- Wetland Enhancements	\$19,354.75	\$0.00	\$14,516.06	75%	\$14,516.06	75%
Total of Schedules	\$904,808.75	\$340,385.00	\$163,672.56	94%	\$170,982.31	95%
10% Retainer	\$90,480.88	\$90,480.88	\$15,093.00	0%	\$15,093.00	17%
<b>Total Letter of Credit Remaining</b>	\$995,289.63	\$304,344.13	\$140,671.56	6%	\$118,268.81	5%

**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 \$118,268.81, which amount shall be secured by letter of credit in the amount of \$118,268.81 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 9<sup>TH</sup> DAY OF FEBRUARY, 2010.

AYES:        ( )

NAYS:        ( )

ABSENT:     ( )

APPROVED THIS 9<sup>TH</sup> DAY OF FEBRUARY, 2010.

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Village President, Maria Rodriguez

ATTEST:

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Village Clerk, Karen Schultheis



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

February 2, 2010

**Re: Eastgate Estates Letter of Credit Reduction**  
**ESI # 04-026-018-01 BG #49**  
**Letter of Credit Reduction #3 DRAFT**  
**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 \$163,672.56 from the current amount of \$304,344.13. 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 preformed a field inspection on December 1st, 2009 and again on January 29<sup>th</sup>, 2010. In response to their Letter of Credit Reduction request we offer the following comments and summary.

Fidelity Wes has requested a 75% 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 this reduction in the LOC for the Erosion items per a written letter from Bob Gardiner dated November 24<sup>th</sup>, 2009. This approval is based on their review of the as-builts submitted to their office on November 20<sup>th</sup>, 2009.

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.

Remaining items will be reduced in accordance with the requested amounts. The table below shows the breakdown of what was requested and what is recommended for reduction. For your reference, note that "completed" items (items reduced 100%) will continue with a 10% maintenance letter of credit. Pursuant to this 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. Although the developer has not requested that these amounts be reduced in writing as is the village standard it is apparent through phone conversations that he would like these amounts reduced. Therefore there are nine items that were reduced to maintenance in the first LOC reduction (2-21-08) that can be reduced. These items are tree clearing/removal, removal of existing fence, tree protection fence, topsoil stripping and stockpiling, clay undercut, aggregate fill for undercut, coarse aggregate CA-6 (culvert protection), dry hydrant, and subgrade preparation-fine grading. The total amount of maintenance for these items is \$15,093.00 which we are recommending for reduction. The amount of maintenance remaining is \$75,387.88. In June of 2010 there will be an additional \$39,455.00 of maintenance that will become eligible for reduction and approximately \$27,115 of general LOC reduction that is possible upon receipt of SMC authorization. Eastgate Estates will not be eligible for further reduction until one year from the date of this current reduction. This is approximately February of 2011.

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.

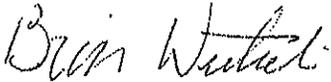
In conclusion, we recommend that the total amount of the Letter of Credit be reduced to \$118,268.81 (a reduction of \$186,075.32). Please see the chart provided below to help clarify what amounts will be remaining in each category.

<b>Letter Of Credit</b>	<b>Original Amount</b>	<b>Reduction 2</b>	<b>Requested Amount Reduction 3</b>	<b>Req. %</b>	<b>Recommended Reduction 3 Amount</b>	<b>Rec. %</b>
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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*



Arthur R. Olson & Co.  
965 Westshore Dr.  
Fox Lake, IL 60020

Health Department and  
Community Health Center

Irene T. Pierce, MSN  
Executive Director

Environmental Health Services  
118 South Main Street  
Wauconda, Illinois 60084  
Phone 847-984-5000  
Fax 847-526-7086

RECEIVED

JAN 19 2010

Re: Eastgate Estates Subdivision  
Village of Long Grove

ESI CONSULTANTS, LTD.

Art:

Thank you for the email correspondence of December 30, 2009 and as-built plans emailed January 8, 2010 in response to my letter of November 16, 2009 regarding the status of drip zone C and remaining outstanding items for the completion of the onsite wastewater cluster system.

This letter will address the issues needed for final completion of the wastewater system.

1. The installation information you provided for drip zone c is sufficient.
2. Please notify this office when the Orenco control box is connected to telephone service and the when you determine that the correct seed mixture was installed.
3. Drip zone C scales out to be only 30' from the wetland at the closest point but you mention in your email that the proper setback (50') was maintained. Clarification is needed on this.
4. This office was not aware that the curtain drain was installed in the fall of 2008. A letter was sent to Mike DeMar on December 18, 2008, indicating that the curtain drain still needed to be installed. Please indicate the location of the outfall for site verification.
5. Since the system is now fully installed and functional, the O & M requirements must begin. The first sampling results and O & M items #1 - #8 listed in the April 17, 2007 Operation & Maintenance Plan shall be submitted in June 2010. The Department will bill for the monitoring fee of \$480.00 at this time also.
6. Please advise on the status of your application to the ICC for issuance of a Certificate of Public Convenience and Necessity to own, operate and maintain the wastewater system. If this is not attainable, an alternative arrangement will need to be substituted.
7. The fees for the 4 outstanding construction permits remains to be paid (one for the system controls, system testing and final cover and three for the 3 drip fields).
8. Has this system been registered with the EPA as a Class V Injection Well?

Please address the necessary items at your earliest convenience. If you have any questions, I can be reached at 847-984-5008.

Sincerely,

Tom Copenhaver, R. S., C. P. S. S.  
Individual Sewage Disposal Coordinator

cc: Mike DeMar, Fidelity Wes, 1540 Dundee Rd., Third Floor, Palatine, 60074  
Village of Long Grove, 3110 RFD, Old Mc Henry Rd., Long Grove, 60047  
Brian Witkowski, ESI Consultants, 1979 N. Mill St., Suite 100, Naperville, 60563