



LEGAL DIVISION
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Memorandum

DATE: January 24, 2005
TO: The Urbana City Council
FROM: Steve Holz
RE: Weller's Lincolnwood IV Subdivision – Extension
of Performance Bond

This memorandum addresses the proposed extension of a performance bond for Weller's Lincolnwood IV subdivision. The Subdivision Performance Bond for Weller's Lincolnwood IV Subdivision requires that the developer, Weller's Community Homes, Inc., install a sidewalk in the subdivision. In order to avoid construction-related damage to the new sidewalks, Weller's has chosen to install the sidewalks for each lot after completion of construction on the lot, with the consequence that the sidewalks remain uncompleted at the lots where construction has not yet taken place, or has not yet been completed.

The Subdivision Performance Bond that was executed by Weller's Community Homes expired on December 31, 2004. Because the sidewalk work was not finished, I had the appropriate city officials execute a draw on the letter of credit that secured the Performance Bond, in the amount of an engineering estimate of the cost to complete the remaining sidewalks. The city is presently holding a check in that amount, pursuant to the City's drawing on the letter of credit.

A number of the as-yet-undeveloped lots have been sold by Weller's Community Homes to another developer, Flatland Development, Inc., which intends to build homes on the lots, and to complete the sidewalks as required for the subdivision.

In lieu of the City cashing the check for the uncompleted sidewalk work, and then the City being responsible for contracting separately to get the sidewalks constructed, Flatland Development desires to sign the Performance Bond, and to have it extended to allow time for the construction to take place, with appropriate surety. This is acceptable to both the Legal Division and the Public Works Department. However, it would require Council approval, both pursuant to the express terms of the Subdivision Performance Bond itself, and pursuant to Code of Ordinances Section 21-29(b).

An ordinance granting such an extension is attached.

This Ordinance:
Does NOT amend the Code of Ordinances.

ORDINANCE NO. 2005-02-016

AN ORDINANCE AUTHORIZING THE EXTENSION OF A PERFORMANCE BOND FOR
WELLER'S LINCOLNWOOD IV SUBDIVISION (SIDEWALKS)

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF URBANA,
ILLINOIS, as follows:

Section 1. That the City Council, pursuant to City of Urbana Code of Ordinances section 21-29(b), hereby authorizes the extension of the performance bond for construction of sidewalks for Weller's Lincolnwood IV subdivision, said extended bond to be signed by Flatland Development, Inc. The expiration date of the performance bond shall be one year from date of signature. The bond as extended must comply with the provisions of Code of Ordinances Section 21-29.

Section 2. This Ordinance shall be in full force and effect from and after its passage.

This Ordinance is hereby passed by the affirmative vote, the "ayes" and "nays" being called, of a majority of the members of the Council of the City of Urbana, Illinois, at a meeting of said Council.

PASSED by the City Council this ____ day of _____, _____.

AYES:

NAYS:

ABSTAINED:

Phyllis D. Clark, City Clerk

APPROVED by the Mayor this ____ day of _____, _____.

Tod Satterthwaite, Mayor