

Tuesday, September 12, 2023

Mayor Wil Kennedy
 c/o City Council
 City of Iowa Colony
 12003 Iowa Colony Blvd.
 Iowa Colony, TX 77553

Re: Sterling Lakes North Section 1 – Early Plat Application
 Brazoria County Municipal Utility District No. 31
 LGI Homes – Texas LLC.
 Letter of Recommendation to Approve
 Adico Project No. 21001-026

Dear Mayor Kennedy and City Council;

On behalf of the City of Iowa Colony, Adico, LLC has received an Early Plat Application Request (attached) on or about August 28, 2023, from LGI Homes – Texas LLC. for Sterling Lakes North Section 1. The Developer is proposing to record the plat in accordance with the City of Iowa Colony Subdivision Ordinance, as amended per Ordinance 2018-30.

Infrastructure construction plans have been approved and construction is currently ongoing. The final plat was approved by Planning and Zoning at the March 7, 2023, meeting and approved by City Council at the March 20, 2023, meeting.

STERLING LAKES NORTH SECTION 1 - EARLY PLAT ESCROW SUMMARY							
CONTRACTS	CONTRACTOR	ORIGINAL CONTRACT	CHANGE ORDERS	CONFIRMED PAYMENTS	APPLICABLE EARLY PLAT PORTION AT TIME OF APPLICATION	PAYMENTS MADE AFTER EARLY PLAT APPLICATION	FINAL EARLY PLAT
Sterling Lakes North Sec 1 Water, Sanitary and Drainage	Clearwater Utilities, Inc.	\$ 6,262,738.00	\$ (21,225.58)	\$ 5,383,649.34	\$ 857,863.08		\$ 857,863.08
Sterling Lakes North Sec 1 Paving	ClearPave, LLC	\$ 3,989,494.00	\$ 19,400.00	\$ 973,114.65	\$ 3,035,779.35	\$ 1,398,100.50	\$ 1,637,678.85
Sterling Lakes North Lift Station	SJ Services, LLC	\$ 1,357,000.00	\$ -	\$ 1,137,892.50	\$ 219,107.50	\$ 75,217.50	\$ 143,890.00
Cedar Rapids Parkway	Principal Services	\$ 1,365,285.63	\$ -	\$ -	\$ 1,365,285.63		\$ 1,365,285.63
Total Remaining Contract Amount					\$ 5,478,035.56		\$ 4,004,717.56
Remaining construction plus 10%					\$ 547,803.56		\$ 400,471.76
Total Escrow of Cash Deposit due to City (within 10 days of CC approval)					\$ 6,025,839.12		\$ 4,405,189.32
Administrative Fee @ 2% of \$6,025,839.12 at time of application							\$ 120,516.78
<i>Administrative Fee Received 9/1/23</i>							\$ 72,008.95
<i>Administrative Fee Received 9/7/23</i>							\$ 16,094.84
<i>Administrative Fee Received 9/12/23</i>							\$ 32,413.00
							\$ (0.01)

LGI Homes – Texas LLC has provided copies of contract documents, pay applications, Affidavit of Bills Paid, Waiver and Lien Release upon Partial Payment and payment acknowledgements as required for the early plat application request.

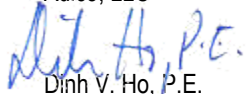
Based on our review of the documentation provided, the amount remaining on current contracts is \$4,004,717.56. Per the Ordinance, a cash deposit of 110% of the remaining construction cost is required to be escrowed with the City. The total cash deposit shall be \$4,405,189.32.

In addition, a 2% administrative fee based on the total cash deposit is required at the time of application submittal. At the time of submittal, the City received \$120,516.78 administrative fee based on the remaining construction costs of \$6,025,839.12.

Based on our review of the documents provided, we have no objections to the Early Plat Application Request for Sterling Lakes North Section 1. The Developer shall provide the cash deposit in the amount of \$4,405,189.32 to the City within 10 days from the date of the agreement, if approved by City Council.

Should you have any questions, please do not hesitate to call our office.

Sincerely,
Adico, LLC



Dinh V. Ho, P.E.
TBPE Firm No. 16423

cc: Kayleen Rosser, City Secretary (krosser@iowacolonytx.gov)
Robert Hemminger, City Manager (rhemminger@iowacolonytx.gov)



August 11, 2023

Dinh V. Ho, P.E.
Adico Consulting Engineers
On behalf of the City of Iowa Colony
2114 El Dorado Blvd., Suite 400
Friendswood, TX 77546

Re: Early Plat Release Application Request
Sterling Lakes North Sec 1

Dear Mr. Ho,

This letter is a formal request from the City of Iowa Colony to prepare a "Construction and Escrow Agreement" with LGI Homes – Texas, LLC for Sterling Lakes North Sec 1. This escrow will include funds to cover the remaining construction costs associated with the development of Sterling Lakes North Sec 1.

Exhibit A (attached) is a summary of the remaining contract balance for each project based on payments made to date; the administrative fee due is based upon 2% of the remaining contract balances per the City's policy. This fee is included with this submittal.

It is our understanding if this agreement is approved at the September 18, 2023 City Council meeting, the escrow amount and 10% contingency will be re-calculated based on the remaining contract balances at the time of the escrow deposit. *Exhibit B* (attached) summarizes the total anticipated escrow requirement, including payments LGI anticipates making between the time of application (now) and the anticipated time of the escrow deposit (September 22, 2023). The escrow deposit amount will be recalculated at that time based on actual payments and copies of checks will be provided.

If you have any questions, please feel free to call us.

Sincerely,

A handwritten signature in blue ink, appearing to read "Landon Hopper".

Landon Hopper
Land Development Manager
LGI Homes – Texas LLC

Exhibit A**Sterling Lakes Sec North 1 Early Plat Recordation**

Sterling Lakes North Sec 1 WSD		
Clearwater Utilities, Inc.		
Bid Amount		\$6,262,738.00
Change Order No. 1		-\$66,881.48
Pay Estimate No. 1		-\$720,989.46
Pay Estimate No. 2		-\$2,344,922.10
Change Order No. 2		\$10,090.00
Pay Estimate No. 3		-\$532,307.70
Pay Estimate No. 4		-\$1,374,448.68
Change Order No. 3		\$66,155.00
Pay Estimate No. 5		-\$410,981.40
Change Order No. 4		\$10,317.00
Change Order No. 5		-\$40,906.10
Total Remaining		\$857,863.08

Sterling Lakes North Sec 1 PAV		
ClearPave, LLC		
Bid Amount		\$3,989,494.00
Pay Estimate No. 1		-\$285,894.00
Pay Estimate No. 2		-\$416,701.80
Pay Estimate No. 3		-\$270,518.85
Change Order No. 1		\$19,400.00
Total Remaining		\$3,035,779.35

Sterling Lakes North Lift Station		
5J Services, LLC		
Bid Amount		\$1,357,000.00
Pay Estimate No. 1		-\$152,306.91
Pay Estimate No. 2		-\$438,398.37
Pay Estimate No. 3		-\$198,504.72
Pay Estimate No. 4		-\$240,682.50
Pay Estimate No. 5		-\$86,400.00
Pay Estimate No. 6		-\$21,600.00
Total Remaining		\$219,107.50

Cedar Rapids Parkway		
LGI share is \$633,701.98 -->	Bid Amount	\$1,365,285.63
Total Remaining		\$1,365,285.63

Exhibit A

Total Remaining Construction Costs	\$5,478,035.56
2% Administrative Fee ⁽¹⁾	\$120,516.78
Cash Deposit Required ⁽²⁾	\$6,025,839.12

Notes:

(1) Administrative fee shall be equal to 2% of the cash deposit

(2) Cash deposit to be 110% of the construction costs remaining on the project at the time of the application

Exhibit B**Sterling Lakes Sec North 1 Early Plat Recordation**

Sterling Lakes North Sec 1 WSD		
Clearwater Utilities, Inc.		
Bid Amount		\$6,262,738.00
Change Order No. 1		-\$66,881.48
Pay Estimate No. 1		-\$720,989.46
Pay Estimate No. 2		-\$2,344,922.10
Change Order No. 2		\$10,090.00
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Pay Estimate No. 4		-\$1,374,448.68
Change Order No. 3		\$66,155.00
Pay Estimate No. 5		-\$410,981.40
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Change Order No. 1		\$19,400.00
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Total Remaining		\$1,637,678.85

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Pay Estimate No. 1		-\$152,306.91
Pay Estimate No. 2		-\$438,398.37
Pay Estimate No. 3		-\$198,504.72
Pay Estimate No. 4		-\$240,682.50
Pay Estimate No. 5		-\$86,400.00
Pay Estimate No. 6		-\$21,600.00
Pay Estimate No. 7		-\$75,217.50
Total Remaining		\$143,890.00

Cedar Rapids Parkway		
LGI share is \$633,701.98 -->	Bid Amount	\$1,365,285.63
Total Remaining		\$1,365,285.63

Exhibit B

Total Remaining Construction Costs	\$4,004,717.56
2% Administrative Fee ⁽¹⁾	\$120,516.78
Cash Deposit Required ⁽²⁾	\$4,405,189.32

Notes:

(1) Administrative fee was paid on 9/1 and was equal to 2% of the cash deposit required at the time of application shown on exhibit A.

(2) Cash deposit to be 110% of the construction costs remaining on the project at the time of early platting approval.

(3) Yellow highlighted items indicate Pay Estimates that are pending payment.