



MEMORANDUM

TO: KINGSPORT REGIONAL PLANNING COMMISSION

FROM: SAVANNAH GARLAND, PLANNER

DATE: APRIL 20TH, 2023

SUBJECT: IRREVOCABLE LETTER OF CREDIT CALL FOR WEST PARK DEVELOPMENT ROAD CONSTRUCTION

FILE NUMBER: 2021-201-00009

The City currently holds an Irrevocable Letter of Credit in the amount of \$382,661.77 for the West Park development road construction. The letter of credit for West Park Development road construction (now officially called Port Drive) is recommended to be called for non-compliance. The requested payment of such monies due amounts to \$382,661.77.

The Irrevocable Letter of Credit will expire date of May 11, 2023. The Irrevocable Letter of Credit states that the improvements will be completed on or before the Performance Date, which is set to March 30, 2023. These improvements have not been satisfied. In the bond estimate description shown on the next page of this report, what is circled red has been installed. However, the As-builts are being reviewed and acceptance of the related items cannot be completed until the As-builts have been approved/accepted by the water/sewer department. Once the As-builts are accepted by the City the reminder total will be \$5,884.15 to account for the remaining items on the second page of the bond estimate.

The developer is very well aware of the remaining items to be completed and is currently working diligently to complete all the remaining items. However, with time drawing close to expiration of the letter of credit, staff recommends calling of the Irrevocable Letter of Credit in the amount of \$382,661.77 as calculated by the City Engineering Division, to cover all remaining improvements for West Park Development road construction. It should be noted that only the amount needed of the \$382,661.77 would be utilized to pay for any remaining improvements.

The appropriate motion to state in the event that the Commission sees fit to call the ILOC is as follows: "We direct the City Treasurer to submit on a date in compliance with the terms of the letter of credit a request to the guarantor bank, Eastman Credit Union, for such monies as are due the beneficiary, the City of Kingsport, from the account party."

BOND ESTIMATE
Roadways and Utilities - West Park Development

FILE NO. 2020-D14

April 28, 2022

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	UNIT COST	TOTAL COST
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General Items

1	1	LS	Topsoil, Mulching, Seeding and Strawing	\$ 2,000.00	\$ 2,000.00
2	4	EA	Stop Signs	\$ 40.00	\$ 160.00
3	2	EA	Plastic Pavement Marking (Turn Lane Arrow)	\$ 160.91	\$ 321.82
4	36	LFT	Plastic Pavement Marking (Stop Line)	\$ 10.42	\$ 375.12
5	120	LFT	Plastic Pavement Marking (Cross-Walk)	\$ 10.91	\$ 1,309.20
6	1	LS	As-Builts	\$ 15,000.00	\$ 15,000.00

Utilities - Water

7	750	LFT	8 inch Ductile iron Pipe (D.I.P.) Pipe Including Fittings	\$ 40.00	\$ 30,000.00
8	3	EA	8 inch Gate Valves and Boxes	\$ 1,400.00	\$ 4,200.00
9	2	EA	Fire Hydrant Assembly - Complete includes Tee, Valve and Hydrant	\$ 3,700.00	\$ 7,400.00
10	4	EA	Service Connection to Existing 3/4" - Short w/ Copper w/ New Meter Box and Setter	\$ 3,910.00	\$ 15,640.00
11	459	TON	8" Mineral Aggregate Base (Type A, Grade D)	\$ 24.72	\$ 11,346.48

Sidewalk

12	125	S.F.	5' Wide, 4" Concrete Sidewalk	\$ 7.79	\$ 973.75
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CONTINGENCIES (6%)

CONSTRUCTION CONTRACT ADMINISTRATION & INSPECTION (8%)

SUBTOTAL	\$ 88,726.37
	\$ 5,323.58
	\$ 94,049.95
	\$ 7,524.00
TOTAL	\$ 101,573.95

Dave Harris
Civil Engineer I
City of Kingsport

April 28, 2022

Date

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Sidewalk

6	125	S.F.	5' Wide, 4" Concrete Sidewalk	\$ 7.79	\$ 973.75
				SUBTOTAL	\$ 5,139.89
					\$ 308.39
					\$ 5,448.28
					\$ 435.86
				TOTAL	\$ 5,884.15

CONTINGENCIES (6%)

CONSTRUCTION CONTRACT ADMINISTRATION & INSPECTION (8%)

Dave Harris
Civil Engineer I
City of Kingsport

April 28, 2022

Date

