

## MEMORANDUM

To: City Attorney's Office

Thru: Colt Schwerdt, P.E. – Public Works Director and City Engineer *CS*

From: Clyde Cuffy, P.E. - Regulatory Division Director

Re: River Place on the St. Lucie No. 10 1<sup>st</sup> Replat (P17-225)  
Completion Contract notice of Default  
Irrevocable Standby Letter of Credit No. 2018-08

Date: December 2, 2024

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This memo certifies that River Place Builders, LLC has failed to complete the improvements of the River Place on the St. Lucie No. 10 1<sup>st</sup> Replat and is in default under the terms of the Completion Contract. An Irrevocable Standby Letter of Credit (LOC) and cost estimate was submitted for infrastructure associated with River Place on the St. Lucie No. 10 1<sup>st</sup> Replat. LOC No. 2018-08 drawn by Seacoast National Bank in the sum of \$222,492.00 was issued on April 19, 2018 as the surety for pavement repair, final paving, striping, signage, sidewalk, import fill, retainer wall, removal of exotics and replacement of damaged traffic signs associated with this Plat. The LOC has since been amended to \$114,372.00.

To draw on the LOC, the City must have 1) certification from the City Engineer that the Developer is in default under the Completion Contract; 2) a specific list of items that are not complete; 3) the cost to complete such items. Pavement repair, final paving and striping have not been completed. The terms of the LOC require the City to obtain consent from River Place on the St. Lucie Community Development District (CDD) prior to releasing the LOC. None of the surety items require Utilities Systems or Planning & Zoning Departments sign off. However, the River Place CDD has confirmed the improvements are complete except for pavement repair, final paving and striping. The Public Works Department has reviewed the engineer's cost estimate for these remaining items, and it appears that the estimate is an accurate representation of the costs for the required infrastructure.

River Place has not fully constructed the required improvements. River Place has indicated it desires the City to draw down on the credit line. River Place appears to be making this request for two reasons: (1) it wants to utilize credit line because it does not currently have a landholder entity for this development and does not wish to create a new one; and (2) the relevant CDD is making demands upon River Place to install improvements (such as streetlights) that are not included in the original LOC improvements before it will consent to the City releasing the line of credit. The CDD has been notified that the LOC can not be used for items beyond what the LOC originally included and therefore the street lights will not be

**River Place on the St. Lucie No. 10 1<sup>st</sup> Replat**

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installed with these funds. Based upon our records, correspondence from the Engineer of Record, and CDD, the Public Works Department recommends a draw down of \$144,372.00 (the remaining balance of the LOC) to complete the remaining infrastructure associated with this plat.

The attached proposal from Atlantic Southern Paving and Sealcoating for the remaining required items including Final lift of Asphalt, Repair to damage curbing and Final Striping comes to a total of \$88,600.00. The remaining LOC funds could be used for any additional repairs needed that are not currently included in the proposal. Also, the proposal originated on February 23, 2024 and was only valid for 30 days. It is likely that construction cost is higher when the work is started. A copy of the LOCs and contractor's proposal cost for the remaining infrastructure is attached to the agenda item for this matter.

cc:       Laney Southerly, P.E. – Regulatory Division Director, Utilities Systems Department  
          Mary F. Savage-Dunham – Director, Planning and Zoning  
          Roberto Cabrera, P.E. – River Place CDD Engineer (rcabrera@ct-eng.com)