

**REPORT TO THE BOARD OF MAYOR & ALDERMEN**

**DATE:** May 11, 2026

**FROM:** Dale Perryman, P.E., Town Engineer

**SUBJECT:** Reduction of Letter of Credit for Lockwood PD, Phase 2, Case #220839

**INTRODUCTION:**

The purpose of this agenda item is to consider approving the reduction of Pinnacle Bank Letter of Credit (#90797253) for Lockwood PD, Phase 2. (Exhibit 1)

**BACKGROUND:**

- The Board of Mayor and Aldermen (BMA) approved the Phase 1 and Phase 2 Residential Development Agreement as a multi-phase Development Agreement on January 24, 2022.
- On March 25, 2024, The BMA approved a conversion of the Letter of Credit for Phase 2.
- The final plat was recorded on April 18, 2024, for Phase 2.
- The Letter of Credit for Lockwood, Phase 1 was Released on March 23, 2026.
- On January 13, 2025, the BMA approved the first reduction to the Letter of Credit for Phase 2 from \$729,000 to \$529,000.
- Final Surface Asphalt was installed for Phase 2 on April 8, 2026, initiating the One-Year Warranty.

	Approval Date	Reduction Amount	Remaining Contract Amount
Converted Letter of Credit Amount	March 25, 2024	N/A	\$729,000
Reduction #1	January 13, 2025	\$200,000	\$529,000
Reduction #2	Tentative Approval, May 11, 2026	\$504,000	\$25,000

**DISCUSSION:**

The Developer is requesting a reduction in amount of the Letter of Credit. Staff has confirmed that most conditions in the development agreement have been met. Please see Exhibit 2 for a detailed breakdown of the Reduction Calculations. (Exhibit 2)

**STAFF RECOMMENDATION:** Staff recommends approval of the reduction of Pinnacle Bank Letter of Credit (#90797253) for Lockwood PD, Phase 2 from \$529,000.00 to \$25,000.00.

**BUDGET IMPACT:**

There is no impact to the budget.

**ATTACHMENTS:**

[Exhibit 1 - Vicinity Map](#)

[Exhibit 2 - Reduction Calculations](#)

**PROPOSED MOTION:**

To approve the Reduction of the Pinnacle Bank Letter of Credit #90797253 from \$529,000.00 to \$25,000.00

**Board Action:** Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_

<b>Vote Total</b>	<b>Hall</b>	<b>Jordan</b>	<b>Robbins</b>	<b>Marshall</b>	<b>Stamps</b>	<b>Fraser</b>
<b>Yes</b>						
<b>No</b>						
<b>Abstain</b>						