



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 08/05/2025

ITEM NO: 13

DATE: July 31, 2025
TO: Mayor and Town Council
FROM: Chris Constantin, Town Manager
SUBJECT: **Authorize the Town Manager to Execute a Notice of Completion and Certificate of Acceptance for Specified Private Improvements Completed by SummerHill N40 LLC for the North 40 Phase 1 Development at Lark Avenue and Los Gatos Boulevard and Direct Staff to Submit it for Recordation**

RECOMMENDATION: Authorize the Town Manager to execute a Notice of Completion and Certificate of Acceptance (Attachment 1) for specified improvements completed by SummerHill N40 LLC ("SummerHill") for the North 40 Phase 1 Development at Lark Avenue and Los Gatos Boulevard and direct staff to submit it for recordation.

FISCAL IMPACT:

The improvements constructed and recommended for acceptance are on private property and will be owned and maintained by the property owner. Therefore, there is no anticipated fiscal impact to the Town.

STRATEGIC PRIORITIES

This project supports the Core Goals of **Quality Public Infrastructure**.

BACKGROUND:

On August 1, 2017, the Town Council adopted Resolution 2017-045 approving the construction of a mixed-use development consisting of 320 residential units, approximately 66,800 square feet of commercial space, associated off-site improvements, and a vesting tentative map on property zoned as part of the North 40 Specific Plan.

PREPARED BY: James Watson
Senior Civil Engineer – Land Development

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, Finance Director, Parks and Public Works Director, and Town Engineer

SUBJECT: Authorize the Town Manager to Execute a Notice of Completion and Certificate of Acceptance for Specified Improvements Completed by SummerHill N40 LLC for the North 40 Phase 1 Development

DATE: August 5, 2025

On September 7, 2018, the Town Council approved the final map for Tract 10441 – North 40 Phase 1, accepting the dedications and authorizing the Town Manager to execute a Subdivision Improvement Agreement (“SIA”) (Attachment 2), and various other documents to support implementation of the approved project.

On October 4, 2018, the Town executed the SIA with SummerHill for the construction of certain improvements required by various Conditions of Approval (“Required Improvements”) stipulated during the Architectural and Site Plan entitlement process. The SIA stipulates 18 “Plans”, identified as “a” through “r”, to be prepared by SummerHill to complete the Required Improvements. The SIA also adds the “North 40 Phase 1 Offsite Lark and Los Gatos Blvd - Pavement Replacement” project in Section 6 – Improvement Security as a bonded project, referred to in Table 1 below as “No ID”.

The SIA requires SummerHill to furnish the Town security bonds to guarantee their performance in executing the required work. On June 20, 2023, the Town Council accepted project improvements listed in Table 1 below.

Table 1. Bonded Improvements Completed by Summerhill and Accepted June 20, 2023

Plan ID¹	Description of Improvement	Bond Value
d	Los Gatos North 40 Tract 10441 In tract Rough Grading Plans dated August 14, 2018, by Mackay & Soms	\$6,430,000
e	Los Gatos North 40 Phase 1, Offsite Los Gatos Blvd Phase A, Improvement Plans dated July 27, 2018, by Mackay & Soms	\$710,000
f	Los Gatos Blvd & Walker Street Traffic Signal Plan dated August 2018 by Fehr & Peers	
g	Walker Street & Los Gatos Blvd Phase A Signing and Striping Plan dated August 2018 by Fehr & Peers	
m	Los Gatos North 40 Offsite Lark Avenue Caltrans Right of Way Improvement Plans dated March 12, 2018, including plans by Mackay & Soms, Finn Design Group, Van Dorn Abed, Fehr & Peers, and Giacalone	\$799,000
r	Los Gatos North 40 Phase 1 Offsite Storm and Sanitary Sewer Improvement Plans dated September 13, 2017	\$401,000
No ID	North 40 Phase 1 Offsite Lark and Los Gatos Blvd - Pavement Replacement	\$3,262,000

Note 1: As defined in the Subdivision Improvement Agreement between Town of Los Gatos and Summerhill.

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On February 6, 2024, the Town Council accepted project improvements listed in Table 2 below.

Table 2. Bonded Improvements Completed by Summerhill and Accepted February 6, 2024

Plan ID ¹	Description of Improvement	Bond Value
h	Los Gatos North 40 Phase 1 Offsite Lark Avenue and Los Gatos Boulevard Improvement Plans dated June 4, 2018, by Mackay & Soms	\$1,938,000
i	North 40 Phase 1 Public Street Lighting Plans dated June 2018 by Giacalone	
j	North 40 Offsite Lark Avenue and Los Gatos Blvd Landscaping Plans dated June 1, 2018, by Van Dorn Abed	
k	Lark Ave & Los Gatos Blvd Traffic Signal Plans dated June 2018 by Fehr & Peers	
l	Lark Ave & Los Gatos Blvd Signing and Striping Plans dated June 2018 by Fehr & Peers	
n	Los Gatos North 40 Phase 1 Lark Avenue Bike Lane Improvement Plans dated March 15, 2018, by Mackay & Soms	\$390,000
o	North 40 Offsite Lark Avenue Landscape Construction Drawings dated June 6, 2018, by Van Dorn Abed	
p	Lark Ave & Oka Road Traffic Signal Plans dated June 2018 by Fehr & Peers	
q	Lark Avenue Signing and Striping Plans dated June 2018 by Fehr & Peers	

Note 1. As defined in the Subdivision Improvement Agreement between the Town of Los Gatos and Summerhill.

DISCUSSION:

SummerHill has now completed the remaining three projects described within the SIA. Staff has inspected the work and found it to be complete with proper documentation submitted. Table 3 summarizes the projects proposed to be accepted with this recommendation. Photos of the completed work are in Attachment 3.

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DATE: August 5, 2025

Table 3. Bonded Improvements Completed by Summerhill as of June 2025 in Association with the Phase 1 North 40 Project

Plan ID ¹	Description of Improvement	Bond Value
a	Los Gatos North 40 - Phase 1 Tract 10411 Improvement Plans dated August 24, 2018, by Mackay & Soms	\$6,655,000
b	North 40 – Onsite Private Street Lighting Plans dated August 23, 2018, by Giacalone	
c	North 40 In-tract/Phase One Landscape Construction Plans dated August 2, 2018, by Van Dorn Abed	

Note 1. As defined in the Subdivision Improvement Agreement between the Town of Los Gatos and Summerhill.

The SIA stipulates that once the Council accepts a project, a two-year warranty period for the accepted work is initiated. Per the SIA, SummerHill will provide the Town a two-year Guarantee and Warranty Security Bond in the amount of 10 percent of the original value of the bond. The Guarantee and Warranty Security Bond will provide for the repair and/or replacement of defective materials and workmanship in the completed improvements.

Although the Town does not and will not own the improvements proposed for acceptance, the SIA still requires the two-year Guarantee and Warranty Security Bond to be submitted prior to the Town's release of the Faithful Performance and Labor and Materials bonds. During the warranty period, the Town has the opportunity to facilitate the repair of any defective materials or workmanship, such as the stormwater treatment facilities that were installed as part of the projects proposed for acceptance.

CONCLUSION:

Staff is recommending that the Town Manager be authorized to execute the Notice of Completion and Certificate of Acceptance for specified improvements completed for the Phase 1 North 40 Project, and authorize the recordation, thereby completing the final construction project stipulated in the SIA.

ENVIRONMENTAL ASSESSMENT:

An Environmental Impact Report (EIR) for the project was certified by the Town Council on January 20, 2015.

Attachments:

1. Notice of Completion and Certificate of Acceptance
2. Subdivision Improvement Agreement
3. Photos of Complete Work