



**TOWN OF LOS GATOS  
COUNCIL AGENDA REPORT**

MEETING DATE: 02/06/2024

ITEM NO: 3

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DATE: January 26, 2024  
TO: Mayor and Town Council  
FROM: Laurel Prevetti, Town Manager  
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 at Lark Avenue and Los Gatos Boulevard and Authorize the Town Clerk to Submit 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 authorize the Town Clerk to submit for recordation.

**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 North 40 Specific Plan.

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 ("Agreement") (Attachment 2), and various other documents to support implementation of the approved project.

**PREPARED BY:** James Watson  
Senior Engineer

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

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**BACKGROUND (continued):**

On October 4, 2018, the Town executed the Agreement with SummerHill for the construction of certain improvements required by various Conditions of Approval (“Required Improvements”) stipulated in the Architectural and Site Plan Review process. The Agreement stipulated 18 “Plans”, identified as “a” through “r”, to be prepared by SummerHill to complete the Required Improvements, and they complete repaving of certain sections of Lark Avenue and Los Gatos Boulevard.

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

**Table 1. Bonded Improvements Completed by Summerhill and Previously Accepted**

<b>Plan ID<sup>1</sup></b>	<b>Description of Improvement</b>	<b>Bond Value</b>
<b>d</b>	Los Gatos North 40 Tract 10441 In tract Rough Grading Plans dated August 14, 2018 by Mackay & Soms	\$6,430,000
<b>e</b>	Los Gatos North 40 Phase 1 Offsite Los Gatos Blvd Phase A Improvement Plans dated July 27, 2018 by Mackay & Soms	\$710,000
<b>f</b>	Los Gatos Blvd & Walker Street Traffic Signal Plan dated August 2018 by Fehr & Peers	
<b>g</b>	Walker Street & Los Gatos Blvd Phase A Signing and Striping Plan dated August 2018 by Fehr & Peers	
<b>m</b>	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
<b>r</b>	Los Gatos North 40 Phase 1 Off Site Storm and Sanitary Sewer Improvement Plans dated September 13, 2017	\$401,000
<b>No ID</b>	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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**DISCUSSION:**

SummerHill has now completed nine additional projects described within the Subdivision Improvement Agreement. Staff have inspected the work and finds the work complete with proper documentation submitted. Table 2 summarizes the projects proposed to be accepted with this action. Still remaining are projects referenced as “a”, “b”, and “c” in the Subdivision Improvement Agreement.

**Table 2. Bonded Improvements Completed by Summerhill as of December 2023 in Association with the Phase 1 North 40 Project**

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

Note 1. As defined in the Subdivision Improvement Agreement between Town of Los Gatos and Summerhill. Plans a through c are not complete at this time and are not presented in either Table 1 or Table 2.

The requested Council action would initiate a two-year warranty period for the accepted work. SummerHill would provide the Town a two-year Guarantee and Warranty Security Bond in the amount of 10 percent of the original value of the bonds. The Guarantee and Warranty Security Bond will provide for the repair and/or replacement of defective materials and workmanship in the completed improvements. This two-year Guarantee and Warranty Security Bond is

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DISCUSSION (continued):

required to be submitted prior to the Town's release of the Faithful Performance and Labor and Materials bonds.

CONCLUSION:

Staff is recommending that the Town Manager be authorized to execute a Notice of Completion and Certificate of Acceptance for specified improvements completed for the Phase 1 North 40 Project.

FISCAL IMPACT:

The improvements within the public right-of-way are dedicated to and accepted by the Town through the subdivision process and the approval of the final map. These improvements become part of the Town's infrastructure to be maintained after the expiration of the two-year warranty period.

ENVIRONMENTAL ASSESSMENT:

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

Attachments:

1. Notice of Completion and Certificate of Acceptance
2. Subdivision Improvement Agreement