



## CITY OF MILPITAS AGENDA REPORT (AR)

<b>Item Title:</b>	<b>Adopt a Resolution Granting Acceptance of Public Improvements and Approving Reduction of Faithful Performance Bond for Public Improvements for the Waterstone Subdivision at 1494 California Circle by Lennar Homes of California, Inc., and Granting Authorization to the City Engineer to Release the Performance Bond After the One-year Warranty Period</b>
<b>Category:</b>	Consent Calendar-Community Development
<b>Meeting Date:</b>	11/5/2019
<b>Staff Contact:</b>	Steve Erickson, 408-586-3301
<b>Recommendation:</b>	<p>Adopt a resolution:</p> <ol style="list-style-type: none"> <li>1. Granting acceptance of public improvements for the Waterstone Subdivision at 1494 California Circle, Tract 10270, Public Improvement Plan No. 2-1193; and</li> <li>2. Approving a reduction in the faithful performance bond to \$190,000, which shall be subject to and in effect for the duration of a one-year warranty period; and</li> <li>3. Granting authorization to the City Engineer to release the performance bond after the one-year warranty period, without further City Council action provided all required warranty work is completed to the satisfaction of the City Engineer.</li> </ol>

### **Background:**

On March 17, 2015, the City Council approved the Final Map, public improvement plans, and the Subdivision Improvement Agreement (“Agreement”) for Tract 10270 for the Waterstone Subdivision located at 1494 California Circle by Lennar Homes of California, Inc (“Developer”).

Public improvements included work along the California Circle project frontage, specifically installation of sidewalk, curb and gutter, curb ramps, driveways, pavement, utility services, landscaping and other miscellaneous items of work.

### **Analysis:**

The public improvement work has been successfully completed in accordance with the approved plans and specifications, and the work is ready for City acceptance and commencement of the 1-year warranty period. Staff recommends the City Council adopt a resolution to accept the public improvements, reduce the performance bond to \$190,000 which is 10% of the security’s original value, and authorize the City Engineer to release the performance bond after the one-year warranty period once all required warranty work is satisfactorily completed.

### **Policy Alternatives:**

#### **Alternative 1:**

Do not approve resolution granting acceptance of installed public improvements.

Pros: None

Cons: The Subdivision Improvement Agreement between the City and Developer requires the City to accept successfully installed public improvements that have passed inspection and meet the requirements of the approved plans and specifications. Not accepting the completed public improvements as required by the

Subdivision Improvement Agreement would delay the project and may subject the City to a claim by the Developer.

Reason not recommended: Granting acceptance of installed public improvements would allow the City to own and maintain the improvements and would ensure the City is in compliance with the terms of the agreement with the Developer.

**Fiscal Impact:**

The public improvements have been constructed by the Developer as a requirement of the Subdivision Improvement Agreement. The City will have perpetual maintenance responsibilities for the improvements following completion of the 1-year warranty period.

**California Environmental Quality Act:**

Granting acceptance of public improvements and reducing faithful performance bond for public improvements are not considered projects under CEQA as there will be no direct or reasonably foreseeable indirect physical change in the environment.

**Recommendation:**

Adopt a resolution:

1. Granting acceptance of public improvements for the Waterstone Subdivision at 1494 California Circle, Tract 10270, Public Improvement Plan No. 2-1193; and
2. Approving a reduction in the faithful performance bond to \$190,000, which shall be subject to and in effect for the duration of a one-year warranty period; and
3. Granting authorization to the City Engineer to release the performance bond after the one-year warranty period, without further City Council action provided all required warranty work is completed to the satisfaction of the City Engineer.

**Attachments:**

Resolution