



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Granting Acceptance of Public Improvements and Approving Reduction of Faithful Performance Bond for Public Improvements for the Centre Pointe Subdivision at 1463, 1515, 1557 & 1585 Centre Pointe Drive by D.R. Horton CA3, Inc. and Granting Authorization to the City Engineer to Release the Performance Bond After the One-year Warranty Period
Category:	Consent Calendar-Community Development
Meeting Date:	2/4/2020
Staff Contact:	Steve Erickson, City Engineer, 408-586-3301
Recommendation:	Adopt a resolution (1) granting acceptance of public improvements for the Centre Pointe Subdivision at 1463, 1515, 1557 & 1585 Centre Pointe Drive, Tract 10363, Public Improvement Plan No. 2-1218 and 2-1218 SD; (2) approving a reduction in the faithful performance bond to \$97,800, 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.

Background:

On October 18, 2016, the City Council approved the Final Map, public improvement plans, and the Subdivision Improvement Agreement ("Agreement") for Tract 10363 for the Centre Pointe Subdivision located at 1463, 1515, 1557 & 1585 Centre Pointe Drive by D.R. Horton CA3, Inc ("Developer").

Public improvements included work along the Centre Pointe Drive and Montague Expressway project frontages including installation of sidewalk, curb and gutter, curb ramps, median island, 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 that City Council adopt a resolution to accept the public improvements, reduce the performance bond to \$97,800 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 Alternative:

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 Agreement and the approved plans and specifications. Not accepting the completed public improvements as

required by the Subdivision Improvement Agreement would delay project acceptance 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 Centre Pointe Subdivision at 1463, 1515, 1557 & 1585 Centre Pointe Drive, Tract 10363, Public Improvement Plan No. 2-1218 and 2-1218 SD; (2) approving a reduction in the faithful performance bond to \$97,800, 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:

1. Resolution
2. Subdivision Improvement Agreement with DR Horton CA3