



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Granting Acceptance of Public Improvements and Approve Reduction of Faithful Performance Bond for Public Improvements for the Sprig Center Commercial Project at 1585 North McCarthy Boulevard by Sprig Center, LLC 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:	8/17/2021
Staff Contact:	Steve Erickson, Engineering Director/City Engineer, 408-586-3301
Recommendation:	Adopt a resolution granting acceptance of public improvements for the Sprig Center Project and approve a reduction in the performance bond, subject to a one-year warranty period and reduction of the faithful performance bond to \$195,923.00 which shall be in effect for the duration of the warranty period, and grant 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 August 21, 2018, the City Council approved the public improvement plans and the Improvement Agreement for the Sprig Center Commercial Project located at 1585 North McCarthy Boulevard by Sprig Center, LLC. Public improvements constructed include work along North McCarthy Boulevard including a traffic signal, curb and gutters, sidewalk, driveways, utilities, street lighting, and landscaping.

Analysis:

The developer has completed all public improvements in accordance with the approved plans, and the improvements are now ready for acceptance and commencement of the 1-year warranty period. Staff recommends the City Council adopt a resolution (**Attachment 1**) granting acceptance of the public improvements, and to approve a reduction of the performance bond to \$195,923.00, which is 10% of the security's original value. It is also recommended the Council grant authorization to the City Engineer to release the performance bond after the one-year warranty period without further Council action provided all required warranty work has been completed to the satisfaction of the City Engineer.

Policy Alternatives:

Alternative 1:

Not approve resolution granting acceptance of the completed public improvements.

Pros: None

Cons: Not granting acceptance for the successfully completed public improvements would conflict with the terms of the public improvement agreement limit public use and would prevent project close-out.

Reason not recommended: Granting acceptance of successfully completed public improvements is required by the terms of the public improvement agreement, and staff recommends adoption of a resolution granting acceptance of public improvements.

Fiscal Impact:

None.

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 granting acceptance of public improvements for the Sprig Center Project and approve a reduction in the performance bond, subject to a one-year warranty period and reduction of the faithful performance bond to \$195,923.00 which shall be in effect for the duration of the warranty period, and grant 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.

Attachment

1. Resolution