



Agenda Report

File #: 20-0749

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 09/02/2020

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

City Council consideration of Reducing Public Improvements Securities associated with Tract Map (TM) 31373 - Corona-Upper Drive 25, LLC, a Delaware Limited Liability Company.

RECOMMENDED ACTION:

That the City Council:

- a. Approve the reduction of the Non-Master Planned Public Improvement Faithful Performance Security to \$1,559,400.00 (30-percent reduction) and the associated Labor and Material Security to \$779,700.00 (0733866 FP and LM).
- b. Approve the reduction of the Master Planned Landscaping Public Improvement Faithful Performance Security to \$169,800.00 (50-percent reduction) and the associated Labor and Material Security to \$84,900.00 (0733868 FP and LM).
- c. Approve the reduction of the Off-Site Public Improvement Faithful Performance Security to \$174,900.00 (50-percent reduction) and the associated Labor and Material Security to \$87,500.00 (1155938 FP and LM).

ANALYSIS:

On July 18, 2018, the City Council approved the final TM 31373 for the subdivision of 18.10 acres into 26 single-family residential lots in the A-14.4 (Single Family Residential, 14,400 square foot minimum lot size) Zone and Estate Residential designation of the City's General Plan and South Corona Community Facilities Plan. The project is located on the east side of Lester Avenue, south of Upper Drive, as shown on Exhibit "A."

On July 18, 2018, the City entered into Improvement Agreements with Corona-Upper Drive 25, LLC,

the developer of the property, to secure the public street, drainage, utility, and landscaping improvements required for the project. Further, on June 19, 2019, the City entered into an Improvement Agreement with the developer to secure the construction of off-site improvements consisting of asphalt, curb, gutter, and sidewalk along Lester Avenue and Upper Drive contiguous to the project.

A substantial amount of the on-site and off-site improvements have been completed for the project. Additionally, the City has issued occupancy to 14 of the 25 proposed units. The developer has requested a reduction of the public improvement securities at this time to alleviate overall bond liabilities. Based on the engineer's estimate, the remaining construction costs of the on-site public improvements would be \$573,311. However, City staff recommends only reducing the Faithful Performance and Labor and Material Securities by thirty percent (30%) to \$1,559,400 and \$779,700 respectively, to retain sufficient securities to guarantee completion of the work. A majority of the public landscaping has been installed and inspected along the master-planned streets of Upper Drive and Lemon Grove Lane. Additionally, most of the off-site improvements along Upper Drive and Lester Avenue have been constructed and inspected. City staff recommends reducing the Faithful Performance and Labor and Material Securities for these improvements by fifty percent (50%). Sufficient securities will be retained to guarantee completion of the work.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The developer paid \$1,523 for a bond reduction fee.

ENVIRONMENTAL ANALYSIS:

In accordance with Section 15063 of the State Guidelines for the California Environmental Quality Act (CEQA), the City prepared an initial study to determine if the project under Tentative Tract Map 31373 would have a significant effect on the environment. The initial study was prepared in accordance with Section 15063 and per the City's Local Guidelines for Implementing CEQA. The initial study identified environmental effects that were determined not to be significant and identified potentially significant effects that were capable of being mitigated to less than significant. Therefore, the City adopted a Mitigated Negative Declaration and Mitigation Monitoring Plan on December 6, 2006, in accordance with Section 15070 of the State CEQA Guidelines and Section 6.02 of the City's Local Guidelines for Implementing CEQA.

Furthermore, this specific action before Council is exempt pursuant to Section 15061(b)(3) of the Guidelines for the CEQA, which states that a project is exempt from CEQA if the activity is covered by the general rule that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action merely reduces the current securities associated with the property. Since there is

no possibility that adopting this action will have a significant effect on the environment, no environmental analysis is required.

PREPARED BY: MICHELE HINDERSINN, P.E., SENIOR CIVIL ENGINEER

REVIEWED BY: TOM KOPER, P.E., ACTING PUBLIC WORKS DIRECTOR

REVIEWED BY: ROGER BRADLEY, ASSISTANT CITY MANAGER

SUBMITTED BY: JACOB ELLIS, CITY MANAGER

Attachments:

1. Exhibit A - Location Map

Developer: Corona-Upper Drive 25, LLC
110 N. Lincoln Avenue, Suite 100
Corona, CA 92882

Engineer: Land Development Consultants
1520 Brookhollow Drive #33
Santa Ana, CA 92705