



Legislation Text

File #: 20-0663, Version: 1

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 08/05/2020

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

City Council consideration of an Improvement Agreement and Security Substitution for Parcel Map (PM) 37565 - Corona Regional Medical Center, LLC.

RECOMMENDED ACTION:

That the City Council:

- a. Authorize the Mayor to execute an Improvement Agreement between the City and Corona Regional Medical Center, LLC, to secure construction of public improvements associated with Parcel Map 37565.
- b. Authorize the Mayor to accept the replacement security for public improvements from Corona Regional Medical Center, LLC.

ANALYSIS:

On September 18, 2019, the City Council approved PM 37565 and Precise Plan (PP) 2019-0003 to facilitate the development of two medical office buildings totaling 58,900 square-feet on 3.48-acres. The project is located on the south side of West Sixth Street between Sheridan Street and Belle Avenue in the Downtown District Zone of the Downtown Corona Revitalization Specific Plan Area (SP98-01), as shown on Exhibit "A." One building will be 32,500 square-feet and will be occupied solely by the City of Hope, and the second building is to be 27,325 square-feet and is anticipated to be multi-tenant medical offices.

On April 15, 2020, the owner, Corona Regional Medical Center, LLC, entered into a Contractual Lien Agreement with the City to secure the public improvements required for the project. The developer agreed that upon recordation of the parcel map and prior to issuance of any building permits for the project, they would post replacement securities in the form of a bond or cash deposit and at such

time the lien will be released. The recoding of PM 37565 occurred on May 27, 2020. At this time, the owner has executed an Improvement Agreement to replace the Contractual Lien Agreement and has posted replacement securities, as listed below, to guarantee the construction of the required public improvements. Staff recommends that the City enter into the Improvement Agreement and accept the replacement security for public improvements from Corona Regional Medical Center, LLC as proposed.

EXISTING SECURITIES	Faithful Performance		Labor and Materials	
	Security No.	Amount	Security No.	Amount
Public Improvements -- Non-Master Planned (PWIM2019-0018)	Contractual Lien	\$1,910,000.00	N/A	

REPLACEMENT SECURITIES	Faithful Performance		Labor and Materials	
	Security No.	Amount	Security No.	Amount
Public Improvements -- Non-Master Planned (PWIM2019-0018)	HACS-10-162-0039	\$1,910,000.00	HACS-10-162-0039	\$955,000.00

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

There is no fiscal impact on City resources, as the applicant has paid the necessary fee to process the agreement.

ENVIRONMENTAL ANALYSIS:

Per Section 15070 of the Guidelines for implementing the California Environmental Quality Act (CEQA) and Section 6.02 of the City's Local CEQA Guidelines, a mitigated negative declaration and mitigation monitoring plan is not required, as it is deemed exempt pursuant to Section 15061(b)(3) of 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 approves agreements that provide security to guarantee completion of improvements that are required in connection with a ministerial permit, and there is no possibility that approving these agreements will have a significant effect on the environment. Therefore, no further 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
2. Exhibit B - Improvement Agreement

Owner:

Richard Boureston
Corona Regional Medical Center, LLC
650 Town Center Dr., Suite 890
Costa Mesa, CA 92626

Civil Engineer:

Mark Nero, P.E.
Fuscoe Engineering
16795 Von Karman, Suite 100
Irvine, CA 92606