

CITY OF PALM DESERT STAFF REPORT

MEETING DATE: August 22, 2024

PREPARED BY: Nick Melloni, AICP, Principal Planner

SUBJECT: REDUCTION OF THE SUBDIVISION FAITHFUL PERFORMANCE BOND, AND RELEASE OF THE SURVEY MONUMENTS BOND, AND THE ROUGH GRADING BOND FOR TRACT MAP NO. 37506-2, UNIVERSITY PARK PHASE II

RECOMMENDATION:

1. Authorize the City Engineer to reduce Subdivision Faithful Performance Bond No. 800134560 for Tract Map No. 37506-2 to \$1,462,430.
2. Authorize the City Engineer to release Survey Monuments Bond No. 800134560 for Tract Map No. 37506-2.
3. Authorize the City Engineer to release Grading Bond No. 800134559 for Tract Map No. 37506-2.

BACKGROUND/ANALYSIS:

On November 20, 2018, the Planning Commission approved Tentative Tract Map 37506 by Resolution No. 2745, a request by University Park Investor, LLC, of Danville, California, to develop a 174+ acre master planned subdivision located near the southeast corner of the intersection of Gerald Ford Drive and Portola Avenue. Attachment 1 of this report provides a vicinity exhibit showing the location of the Tract. Tract Map No. 37506-2 is Phase 2 of this project, which includes ten public streets, two public parks, and 169 single-family lots. On September 15, 2022, the City Council adopted Resolution No. 2022-79 approving Final Tract Map No. 37506-2 and subdivision improvement agreements with University Park Investor, LLC (“subdivider”).

A bond in the amount of \$2,331,546 for subdivision improvement performance was submitted for public improvements, inclusive of public street, sidewalk, and storm drain improvements at the time of final tract map approval (Bond No. 800134560). A separate survey monuments bond was submitted in the amount of \$51,000 (Bond No. 800134564). A grading bond was submitted in the amount of \$2,051,664.40 (Bond No. 800134559).

The subdivider has made a request to reduce the Faithful Performance Bond (\$2,331,546) in accordance with the terms and requirements of the subdivision improvement agreement. City staff have verified that the request is reasonable as the improvements have been partially completed in accordance with the approved plans, and the remaining portion of the improvements have been documented in a list provided to the subdivider. The remaining value of the uncompleted improvements and Performance Bond amount is \$1,462,430. The reduced bond amount generally includes a 50% retention for completed improvements, 100% retention for improvements which are not completed, and a 20% contingency. The partial release, or reduction, of the Subdivision Performance Bond is not an acceptance of the complete

improvements, and the obligation to maintain the improvements remains the sole responsibility of the subdivider until all required improvements, including but not limited to public improvements, have been accepted by the City Council.

At the time of final map approval, a survey monuments bond was submitted in the amount of \$51,000. The monuments for the tract were inspected and confirmed to be set accordingly. The survey monuments bond will be released in its full amount.

At the time of final map approval, a grading bond was submitted for rough grading. The rough grading for the project is now complete. The grading bond will be released in its full amount (\$2,051,664.40). The project will continue construction through precise grading. Development Services retains a cash deposit in the amount of \$92,640 for fugitive dust control (PM10).

City staff recommends that the City Council authorize the City Engineer to release of the Grading Bond and the Survey Monument Bond in their entirety and reduce the Faithful Performance Bond to \$1,462,430.

Legal Review:

This report has been reviewed by the City Attorney's office.

FINANCIAL IMPACT:

There is no direct financial impact to the General Fund with this action. The subdivider, or successor in interest, must return to City Council to request the acceptance of all improvements and the release of the remaining bonds when all improvements have been completed. Once the public streets and storm drains are completed and accepted, their long-term maintenance will be the responsibility of the City of Palm Desert. The estimated cost of street maintenance per year for this tract is \$94,833. This cost includes street sweeping, asphalt repairs, and asphalt maintenance, including overlay and slurry.

ATTACHMENTS:

1. Vicinity Map
2. Subdivision Faithful Performance Bond
3. Survey Monuments Bond
4. Grading Bond