

CITY OF YUBA CITY
STAFF REPORT

Date: September 19, 2017
To: Honorable Mayor & Members of the City Council
From: Public Works Department
Presentation by: Benjamin Moody, Deputy Public Works Director – Engineering

Summary

Subject: Valencia Estates Acceptance of Public Improvements

Recommendation: A. Adopt a resolution accepting certain street and related improvements pursuant to the Valencia Estates Subdivision Agreement with Interwest Homes Corp and authorizing the developer to file a Notice of Completion. [Subdivision is located north of Bradley Estates Drive, west of Tuly Parkway, and east of Elmer Road]

B. Authorize the use of collected Northwest Drainage fees in the amount of \$18,023 from account 701-20951 for payment to Interwest Homes Corp for the City's proportional cost of construction.

Fiscal Impact: \$690,236.22

- \$672,213.22 Valencia Agreement - (Tuly Parkway DIF 931069-65501 & North West Drainage Study – Drainage Fees 701-20951)
 - \$18,023 (NWDS – Drainage Fees 701-20951)
-

Purpose:

Accept the satisfactorily constructed street improvements for public use and initiate the one year warranty period.

Background:

On July 19, 2016, the City Council authorized Resolution No. 16-052 to execute a Subdivision Agreement with the Developer, Interwest Homes Corp, regarding the development of the Valencia Estates subdivision project. Per the agreement, the Developer was to construct the determined improvements and, upon completion, dedicate and offer the improvements to the City to constitute public improvements.

Analysis:

The Valencia Estates street improvements have been constructed to the satisfaction of the City. At this time, the Developer is requesting acceptance of the improvements so that the one year warranty period can begin. Per the terms of the agreement, the City is required to reimburse the Developer the City's portion of the improvement costs, which has been determined to be

\$672,213.22. Additionally, through construction of the ultimate drainage line in Tuly Parkway, which is proportionally the City's responsibility as part of the Northwest Drainage Plan, additional costs were incurred due to construction conflicts that amounted to \$18,023. Excluding the landscaping along Tuly Parkway, the required improvements within Valencia Estates have been constructed in conformance with the approved plans and specifications. With the recent high heat events and the expected two-month timeline for the landscaping installation, staff proposes to retain a portion of the reimbursement payment to the Developer for the landscaping costs in the amount of \$128,000 until the landscaping is finalized.

With the acceptance of the public improvements, the Developer will provide security for the guarantee and warranty of the work for one year after acceptance in the amount of 5% of the cost of the improvements, \$83,557.

Fiscal Impact:

The City's total proportional share cost of the public improvements is \$690,236.22. With the acceptance of the improvements, the City will become responsible for the maintenance of the public improvements, including the water, sewer, and storm-drain lines, streets, streetlights, landscaping, etc. Residents within the subdivision participate in Lighting and Landscape Maintenance District No. 5 which will pay for the proportional share of the maintenance of the streetlights and landscaping. Maintenance costs for the water and sewer lines will come from the Water Enterprise and Sewer Enterprise funds, respectively, and maintenance of the streets and storm drains will be funded with gas tax funds and the established Community Facilities District for the subdivision.

Alternatives:

Delay acceptance until all landscaping is completed.

Recommendation:

- A. Adopt a resolution accepting certain street and related improvements pursuant to the Valencia Estates Subdivision Agreement with Interwest Homes Corp and authorizing the developer to file a Notice of Completion. [Subdivision is located north of Bradley Estates Drive, west of Tuly Parkway, and east of Elmer Road]
- B. Authorize the use of collected Northwest Drainage fees in the amount of \$18,023, for payment to Interwest Homes Corp for the City's proportional cost of construction.

Attachments:

1. Exhibit
2. Resolution
3. Valencia Estates Subdivision Agreement

Prepared by:

/s/ Benjamin K. Moody
Benjamin K. Moody
Deputy PW Director – Engineering

Submitted by:

/s/ Steven C. Kroeger
Steven C. Kroeger
City Manager

Reviewed by:

Department Head

Finance

City Attorney

DL

RB

TH by email

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
ACCEPTING CERTAIN STREET AND RELATED IMPROVEMENTS
PURSUANT TO THE VALENCIA ESTATES SUBDIVISION AGREEMENT
DATED JULY 19, 2016, BETWEEN THE CITY OF YUBA CITY AND
INTERWEST HOMES CORP, AND DIRECTING THE DEVELOPER TO FILE
THE NOTICE OF COMPLETION.**

WHEREAS, the City of Yuba City has heretofore contracted with Interwest Homes Corp for certain work pursuant to that Valencia Estates Subdivision Agreement dated July 19, 2016, between the City of Yuba City and Interwest Homes Corp; and

WHEREAS, said work of improvements called for by said Agreement for street and related improvements was completed to the satisfaction of the City, and a maintenance bond insuring the work of improvements from a maintenance standpoint for a period of one (1) year from and after completion has been provided.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the City Council of the City of Yuba City hereby accepts the work performed on those certain improvements, the subject of the Subdivision Agreement between the City of Yuba City and Interwest Homes Corp, and authorizes and directs the developer to execute and record a Notice of Completion in connection with said work of improvement.

The foregoing resolution was duly and regularly introduced, passed, and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 19th day of September, 2017.

AYES:

NOES:

ABSENT:

Stanley Cleveland Jr., Mayor

ATTEST:

Patricia Buckland, City Clerk

VALENCIA ESTATES
SUBDIVISION AGREEMENT

This Agreement is made and entered into this 19th day of July, 2016, by and between Interwest Homes Corp, hereinafter designated "Developer," and the CITY OF YUBA CITY, A MUNICIPAL CORPORATION, located in the County of Sutter, State of California, hereinafter designated "City."

WITNESSETH

WHEREAS, the City Council has approved and adopted certain rules and regulations governing the platting and subdividing of land in the City, the payment of fees in connection therewith, and the posting of bonds guaranteeing the installation of necessary permanent improvements all as set forth in Chapter 2 of Title 8 of the Yuba City Municipal Code; and

WHEREAS, Article 8 of said Chapter 2 specifically sets forth the requirements for the installation of necessary improvements affecting the development.

NOW, THEREFORE, the City and the Developer mutually agree as follows:

1. The Developer shall within two (2) years of the date of this Agreement construct or cause to be constructed at its own cost and expense all necessary permanent improvements for the subject development specifically described and shown on Drawing Number 5364-D which was approved by the City Engineer and filed in his office on June 21st, 2016, and in accordance with applicable provisions of the State of California, Department of Transportation, Standard Specifications, as amended by

Special Provisions and/or Specifications submitted with the improvement plans and approved by the City Engineer.

2. If Developer shall fail to do, perform and complete said work, improvements, and other obligations within the period of time herein agreed upon and any extension or extensions of said period of time granted by City hereunder, or if delay in the construction or failure or deterioration of any portion of said work or improvements shall, in the opinion of the City Engineer of the City of Yuba City, endanger property outside the boundaries of said tract, City may, at its option, do, perform, complete, repair, or maintain the same or any part thereof and recover the full cost and expense thereof from Developer.

3. In order to guarantee the faithful performance by Developer of this Agreement, Developer shall, a minimum of ten (10) calendar days prior to Council action on this Agreement, present to and file with the City good and sufficient Improvement Security in the amount or sum of \$1,671,143, which sum is hereby agreed to be the sum fixed by the City for that purpose.

4. Developer shall also at the same time present to and file with City a good and sufficient Improvement Security in the amount or sum of \$1,671,143, and by its terms made to inure to the benefit of laborers and materialmen upon such work and improvements conditioned upon the payment of such laborers and materialmen for labor or material performed or rendered under the terms of said contract, and for amounts due under the Unemployment Insurance Act with respect to such work or labor as provided by Sections 66499 - 66499.10 of the Government Code of the State of California.

5. Developer shall pay to City concurrently with the execution of this Agreement a plan check and inspection fee in connection with City's review of the improvement plans for said development in the amount specified on Schedule A. Developer shall further cause to be paid to City those certain utility connection fees delineated on Schedule A attached hereto and by this reference made a part hereof prior to and as a condition precedent to the recordation of the final map for said subdivision, all as set forth in Title 8, Chapter 2 of the Yuba City Municipal Code.

6. City agrees to pay to Developer those amounts shown on Schedule B attached hereto and by this reference incorporated herein and made a part hereof at such time and only at such time as City has accepted those improvements to be constructed within the subject development as having been built in accordance with the improvement plans as approved and in accordance with City construction standards. Schedule B represents City's participation and contribution to the aforementioned improvements by reason of the over-width and over-sizing of said improvements which City recognizes will ultimately inure to the overall benefit of City, both in connection with the subject development and in connection with future developments.

7. Developer shall, prior to the commencement of construction of any of the improvements embraced within the subject development, take out and at all times maintain during the course of the construction thereof and prior to the completion and acceptance of said improvements, workers' compensation insurance as required by the Labor Code of this State. Developer shall furnish to City, prior to commencing work as herein provided for, evidence of such insurance.

8. Developer agrees with City that Developer will set, at its own cost and expense, all of the exterior boundaries of the property, the subject of this development and as the same shall be reflected on the final map prior to the recordation of said final map, and as a condition precedent to the acceptance and filing of said final map for recordation.

Further, Developer agrees with City that it shall cause to be set all interior boundaries of the property, the subject of this development and as shown on the final map to be submitted either prior to recordation and as a condition precedent to the acceptance of the final map and its recordation, or may, at its option, defer the establishment of said interior boundaries and postpone the same subsequent to the recordation and acceptance of said final map on the condition that he post with the City, pursuant to the provisions of Section 66496 of the Government Code, the necessary monument bond to assure the establishment of said interior boundaries, all in accordance with the provisions of Section 66495 through and including 66498 of the Government Code.

Developer agrees with City that it shall cause to be installed, placed, and constructed, at Developer's sole cost and expense within the subject development, street lights, the same being a condition of the tentative map for said development as approved, in accordance with the improvement plans as approved and in accordance with City construction standards. The construction and completion of said street light improvements shall be a condition precedent to the acceptance and filing of the final map for said development, the same being a condition of the tentative map as approved.

9. If the work is not completed within the specified time period because of acts of God, the public enemy, the City, or because of fire, flood, epidemic, quarantine restrictions, strikes, or freight embargoes, the Developer shall be entitled to an extension beyond the specified time period for a period equal to the length of such delay from the beginning of such delay. If an extension of time is granted, it shall in no way affect the validity of this contract or release the surety on the bond attached hereto.

10. It is understood and agreed by and between City and Developer that Developer is not an employee of City in connection with the work called for by this Agreement but is an independent contractor, and, in doing the work called for by this Agreement, acts as an independent contractor and not as an employee of the City.

11. This Agreement is made upon the express condition that the City is to be free from all liability and claim for damages by reason of any injury to any person, including Developer, its agents, servants, or employees, or to any property of any kind by whomsoever belonging, including the Developer from any cause or causes whatsoever while in, upon or in any way connected with the work to be done in said Agreement, and Developer hereby covenants and agrees to indemnify and save the City, and its officials and employees, harmless from loss or liability, cost or obligation on account of or arising out of such injuries or damages or losses however occurring. The duty of indemnity of the City and its officials and employees by Developer as in this paragraph provided, and as hereinafter stated, shall specifically include a duty to indemnify the City, its officials and employees when the same are concurrently actively negligent with Developer.

12. Developer shall indemnify and save harmless the City and its officials and employees from any claims, losses, or obligations on account of or arising out of operations of the Developer in performing the work called for in said Agreement which are claimed to cause a nuisance or injury or damage to persons or property owners on nearby land, if such loss or claim might arise, and also specifically agrees to indemnify and save harmless the City and its employees and officials from all costs and obligations, including attorneys' fees, on account of or arising out of any such injury or losses however occurring.

13. In connection with the foregoing, Developer agrees with City to take out comprehensive public liability and property damage insurance in the following amounts: comprehensive liability - \$2,000,000.00 per person, \$2,000,000.00 per occurrence; property damage - \$250,000.00. Developer shall cause City, its officers, agents, and employees to appear as an additional insured under said comprehensive liability policy and shall provide thereunder that City shall be advised of any cancellation of said insurance at least ten (10) days prior to such purported cancellation.

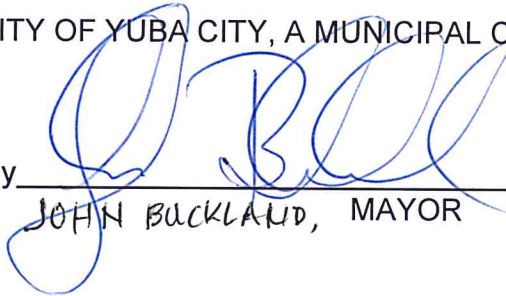
14. The Developer shall procure all permits and licenses, pay all charges and fees, and give all notices necessary and incidental to the due and lawful prosecution of the work.

15. Notwithstanding the acceptance of such work and improvements and inspection thereof by City, Developer guarantees all of said work and shall perform or cause to be performed repairs, additions, or corrective work caused by the deficiency or omission of Developer for one (1) year after the work has been installed and completed pursuant to Sections 66499.3 and 66499.9 of the Government Code of the State of

California. The faithful performance bond herein provided shall cover the guarantee set forth in this paragraph.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date first above written.


CITY OF YUBA CITY, A MUNICIPAL CORPORATION

By  _____
JOHN BUCKLAND, MAYOR

INTERWEST HOMES CORP

By  _____
DEVELOPER

ATTEST:



CITY CLERK



VALENCIA ESTATES
SUBDIVISION AGREEMENT
SCHEDULE A

In accordance with the provisions of the Agreement effective July 19th, 2016, and any amendments made thereto to which this Schedule A is attached and made a part, and also in accordance with applicable provisions of the Yuba City Municipal Code, it has been determined that the following fees are payable a minimum of ten (10) calendar days prior to the date of Council action on the Agreement, and prior to issuance of any building permits for the subject development.

- (1) Public Improvement Plan Check and Inspection Fee:
- 4% of (Total construction cost less (PG&E and City Portions)
 $\$1,617,143.00 \times .04 =$ \$64,685.72
- (2) Sewer Extension Fees
Developer constructing sewer main.
- (3) Sewer Connection Fees
(Per Section 6-5.504 Municipal Code)
Deferred until application for building permits are filed.
- (4) Water Extension Fees
Developer constructing water main.
- (5) Water Connection Fees
(Per Section 6-6.05 Municipal Code)
one, 1-1/2" connection fee for irrigation service along Tuly Parkway.
50% due to shared obligation with City
 $50\% \times \$15,644.13 =$ \$7,822.07
- All other connection fees deferred until applications for building permits are filed.
- (6) Drainage Fees (North West Drainage Study – indexed to April, 2016)
\$13,949 per acre
 $\$13,949 \times 11.94 \text{ Acres} = \$166,551.06$
(Developer shall construct improvements in lieu of paying fees) \$0.00

(7) Water Meter
One, 1-1/2" water meter for irrigation service along Tuly Parkway.
50% due to shared obligation with City
50% x \$752 = \$376.00

(8) Road Improvement Costs:
Fees in lieu of constructing portions of Tuly Parkway (New 4-Lane Parkway)
Tuly Parkway – West Half (Heidi Way to North Boundary):
140 LF x \$370.00/LF \$51,800.00

Fees in lieu of constructing portions of Elmer Road
Elmer Road – East Half (South to North Boundary) C of A #71:
564 LF (Engineer's Estimate with markup for Engineering, Surveying, Construction
Management, and plan check and inspection)
\$158,981.89 x 1.3 \$206,676.46

(9) Master Plan proportional contribution. C of A #84: \$12,000.00

TOTAL FEES PAYABLE **\$343,360.25**

Diana Langley
Diana Langley
Public Works Director

8/1/14
Date

VALENCIA ESTATES
SUBDIVISION AGREEMENT
SCHEDULE B

In accordance with current City policy and the terms of the Agreement effective July 19th, 2016, and any amendments made thereto to which this Schedule B is attached and made a part, it has been determined that City will pay to Developer the following amount subject to and after completion, and within thirty (30) days following acceptance by the City of all of the work associated with Tuly Parkway called for in the subject Agreement.

(1) Reimbursement for Tuly Parkway Improvement Costs (City Portion) –

Tuly Parkway (Collector road section, does not include block wall construction costs):

a. Tuly Parkway – East Half (Bradley Estates to South Boundary)	\$247,287.51
b. Tuly Parkway – East Half (South Boundary to Heidi Way)	\$0.00
c. Tuly Parkway – West Half (Nick Court to Heidi Way)	\$186,741.61
d. Tuly Parkway – West Half (South Boundary to Nick Court)	\$50,104.93

Subtotal: \$484,134.05

(2) Reimbursement for Masonry Block Wall Improvement Costs (City Portion) –

Reimbursement for wall construction cost on the east side of Tuly Parkway adjacent to APN: 59-530-010 (215 LF x \$150/LF x 1.26)

\$40,635.00

(3) Reimbursement for Tuly Parkway Improvement Costs covered under the Impact Fee Program less Developer Obligation

Tuly Parkway (Collector Road Section) – East Half (South Boundary to Heidi Way)

(\$269,240.49 x 1.26 – (730 LF x (\$310.00) / 1.3 x 1.26(no storm drain))

\$119,906.09

(4) Reimbursement for Tuly Parkway Storm Drain Trunk Line Improvements
30 Inch Storm Drain (North West Drainage Study)
Bradley Estates to Heidi Way ($\$154,039 \times 1.26$) – ($11.94 \times \$13,949$):

\$27,538.08

TOTAL CITY CONTRIBUTION

\$672,213.22

Diana Langley
Diana Langley
Public Works Director

8/1/16
Date