



## Staff Report

**TO:** City Council  
**FROM:** Robert Vestal, Public Works Director  
**DATE** March 5, 2024  
**SUBJECT:** Performance Bond Exoneration for Private Streets

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**Description** Performance and payment bond exoneration for private streets within the Sundance and Tournament Hills developments.

### **Background and Analysis:**

The City requires all developers to provide construction security for public improvements consisting of, but not limited to, street improvements, sewer improvements, storm drain improvements, and survey monumentation. After the improvements are constructed, City staff verifies that no liens have been filed, that the improvements are completed in accordance with the project's conditions of approval, design standards, and City requirements, and that all punch list items have been addressed.

City staff required all street improvements within the Sundance and Tournament Hills developments to have construction security regardless of the street improvements being privately owned and maintained. Tri Pointe Homes is requesting that the security associated with the privately owned and maintained streets be exonerated. Certain public facilities are located within the private streets and separate construction security for the public facilities is provided. The public facilities are subject to all applicable requirements and will follow the normal security exoneration and maintenance procedure.

Staff has confirmed that there is no requirement for the City to accept construction security on privately owned and maintained street improvements. Additionally, Tri Pointe Homes has provided letters from the respective Homeowners Associations (HOA) acknowledging that the HOAs own and are responsible for the maintenance of the respective street improvements.

**Table No. 1 – Bonds to be Exonerated**

Bond Number	Project Name	PW #	File #	PA	Tract	Bond Amount
30012045	Altis @ Sundance	2023-0985	3104	30	31470-4	\$1,988,252.25
30024918	Altis @ Sundance	16-3988	3173	33	31470-5	\$1,844,229.70
CMS0342150	Altis @ Sundance	17-4086	3247B	34	31470-6	\$1,257,674.50
929644885	Altis @ Sundance	16-3784	3090	31	31470-3	\$1,261,885.80
81970888	Oak Valley II	17-4257	1675	11	31288	\$1,280,370.90
81970887	Oak Valley II	17-4255	1674	12	31288-5	\$856,817.85
103883744	Oak Valley II	17-4256	1645	14	31288-4	\$1,310,545.75
30151552	Tournament Hills	2021-0637	3415	16	36307	\$1,071,311.25
30151559	Tournament Hills	2021-0636	3419	15	36307-1	\$1,369,475.00

**Table No. 2 – Bonds to be Accepted for Public Improvements**

Bond Number	Project Name	PW #	File #	PA	Tract	Improvement Type
PB03010409856	Altis @ Sundance	2023-0985	3104	30	31470-4	Storm Drain
PB03010409857	Altis @ Sundance	16-3988	3173	33	31470-5	Storm Drain
PB03010409858	Altis @ Sundance	17-4086	3247B	34	31470-6	Storm Drain

Therefore, City staff recommends that City Council accept the public construction security and authorize City staff to issue a bond exoneration letter for the performance and payment bonds.

**Fiscal Impact:**

The cost of preparing the staff report is estimated to be \$1,000. The principal maintains all associated private improvements. The City is not liable for public improvement maintenance until the public improvements are accepted into the City's publicly maintained system.

**Recommended Action:**

Authorize City staff to issue a Bond Exoneration Letter for Performance and Payment Bonds for bond numbers: 30012045, 929644885, 30024918, CMS0342150, 81970888, 81970887, 103883744, 30151552, and 30151559; and, Accept Security Agreement and Performance and Payment Bonds for (Project / Bond number / Improvement):

- Altis @ Sundance / PB03010409856 / Storm Drain
- Altis @ Sundance / PB03010409857 / Storm Drain
- Altis @ Sundance / PB03010409858 / Storm Drain

**Attachments:**

- A. PW2023-0985 - TR 31470-4 Bond Ex Package
- B. PW16-3988 - TR 31470-5 Bond Ex Package
- C. PW17-4086 - TR 31470-6 Bond Ex Package
- D. PW16-3784 - TR 31470-3 Bond Ex Package
- E. PW17-4257 - TR 31288 PA11 Bond Ex Package
- F. PW17-4255 - TR 31288-5 PA12 Bond Ex Package
- G. PW17-4256 - TR 31288-4 PA14 Bond Ex. Package
- H. PW2021-0637 - TR 36307 Bond Ex Package
- I. I. PW2021-0636 - TR 36307-1 Bond Ex Package
- J. HOA Acknowledgement Letters