

August 4, 2020
Engineering

TITLE: AUTHORIZE THE CITY MANAGER TO APPROVE AN AMENDMENT TO THE SUBDIVISION IMPROVEMENT AGREEMENT FOR TRACT 8259 WITH PONDEROSA HOMES II, INC., TO REIMBURSE THEM THE NOT-TO-EXCEED AMOUNT OF \$293,595 FOR ADDITIONAL WORK ON VALLEY TRAILS DRIVE AND SEVERAL ADJACENT COURTS

SUMMARY

On April 17, 2018, Ponderosa Homes II, Inc. (Ponderosa), and the City of Pleasanton entered into a Subdivision Improvement Agreement (SIA) whereby Ponderosa agreed to construct the public infrastructure shown on the approved Sycamore Improvement Plans for Tract 8259 located at 6900 Valley Trails Drive. The plans include replacement of the water main within Valley Trails Drive from west of Lassen Street to south of Petrified Forest Court.

The SIA included language to share the cost of the water main replacement as the benefits of replacing the old water main extend beyond the Ponderosa project. The plans, in conformance with the conditions of approval, also include new asphalt concrete pavement overlay on the east side of Valley Trails Drive adjacent to the development. However, due to the number of existing utilities in the street, the new water main had to be installed on the west side of Valley Trails Drive. This resulted in a trench line with numerous perpendicular connections leading to courts and homes in the existing Valley Trail neighborhood, as well as to the Ponderosa development, in a section of Valley Trails Drive that was not being resurfaced.

Staff believed it prudent to expand the limits of the paving to include the west side of Valley Trails Drive, as well as into the adjacent courts. This additional work is beyond the scope of the Ponderosa project, but necessary for acceptance by the residents of the existing neighborhood. In conformance with federal accessibility regulations, the overlay also prompted needed upgrades to adjoining sidewalks and installation of missing curb ramps. Also, due to earth movement in the area causing differential settlement, a significant amount of curb and gutter was also removed and replaced to restore drainage prior to the paving.

Since Ponderosa was already doing similar work in the area, City staff requested that they add this work so it may be completed in a single operation. Ponderosa agreed to accomplish the work on a time and material basis, with a City inspector on site also tracking time and material. The total cost of \$293,595 is a fair and reasonable price for the amount of work accomplished.

RECOMMENDATION

1. Authorize the City Manager to approve an amendment to the Subdivision Improvement Agreement for Tract 8259 with Ponderosa Homes II, Inc., to include additional street resurfacing work and related sidewalk, pedestrian ramp, and curb and gutter work on Valley Trails Drive, authorize \$293,595 be reimbursed to Ponderosa for completing the requested work on a time and material basis.
2. Authorize the transfer of \$293,595 from the Streets CIP General fund to fully cover the reimbursement to Ponderosa.

FINANCIAL STATEMENT

The estimated fund balance of the Streets CIP General Fund is \$823,070. After the staff recommended transfer of \$293,595, the remaining fund balance will be \$529,475.

BACKGROUND

Background for Tract 8259

On April 12, 2017, the Planning Commission recommended the approval of PUD-113, a Planned Unit Development (PUD) application by Ponderosa to demolish a religious building and related improvements in order to construct 36 single-family homes, a private clubhouse with a parking lot, a public restroom, and related site improvements on an approximately nine-acre site located at 6900 Valley Trails Drive.

On May 2, 2017, City Council approved PUD-113 and the Vesting Tentative Map 8259 by adopting Ordinance No. 2162 and Resolution 17-932, respectively.

On June 6, 2017, City Council approved the Development Agreement (DA) by adopting Ordinance No. 2163. This DA, among other things, contained the details involving the construction and maintenance of a public restroom to serve Valley Trails Park.

On April 17, 2018, City Council approved the Final Map, Improvement Plans, and Subdivision Improvement Agreement for Tract 8259.

Background for the Original Subdivision Improvement Agreement

The existing public water main on Valley Trails Drive that fronts the development is in poor condition, prompting several recent repairs by City maintenance staff. In consideration of the condition of the water main and its repair history, and since the development needed to connect services to this main at 12 locations, staff determined that the Ponderosa development presented an opportunity to cost-effectively replace the water main. See Attachment 1 for the limits of the replacement. Ponderosa agreed to fund 25 percent of the replacement cost with the City funding the 75 percent balance (\$58,661 from Ponderosa and \$175,982 from the City for a total of \$234,643). No upsizing of the pipe was necessary to serve the development.

The PUD conditions of approval for the project required Ponderosa to remove and replace all sidewalk and curb and gutter on Valley Trails Drive adjacent to their development. They were also required to re-pave the half-street width of Valley Trails Drive adjacent to their development.

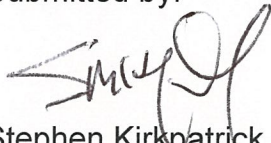
At the time of PUD approval, it was thought that the water line that was to be replaced could be constructed in a similar alignment to the existing location on the west side of the street, and the half street overlay would cover the trenching area. However, as the project was designed, including potholing to determine the location of the existing utilities, it became apparent that the new water line had to be installed on the opposite, or west, side of the street. This was required because of conflicts, but also because there was concern after potholing that trenching for the new water main, parallel, and close to the old pipeline, could damage the old pipeline. This would not be acceptable because the old pipeline had to remain in service to supply water to the area until the new pipeline was brought into service. A break would not only disrupt water service, a break would likely cause significant damage to the area. The utility improvement plans showing the pipeline work on the west side of the street were then created to install the pipeline outside the planned pavement overlay area.

DISCUSSION

As construction proceeded on the project and the new water main was installed, including the “T” connections to water mains serving the existing courts on the west side of Valley Trails Drive, and the 12 service laterals to the new development homes, it became apparent that only paving the half-street width, while leaving significant patch work on the opposite half, would not be acceptable. Staff then requested that Ponderosa expand their plans to so that the entire street width would be paved. Ponderosa agreed to perform this additional work on a time and material basis. But the work was not limited to street paving on the west side as federal law requires that pedestrian ramps and sidewalks be brought into compliance with current standards when resurfacing public roads. In addition, the Valley Trails area experiences earth movements that causes differential settlements. Before paving the area, it was also necessary to remove and replace a significant amount of curb and gutter along the west side of the street to restore drainage patterns.

Ponderosa Homes II, Inc., submitted documentation substantiating the cost of \$293,595. Staff has reviewed the documentation and compared it with records kept by the public works inspectors. The amount is accurate, and fair and reasonable, comparing favorably to similar work the City has recently bid and constructed. It is recommended that the SIA be amended to reimburse Ponderosa the cost of the additional work performed as requested.

Submitted by:


Stephen Kirkpatrick
Director of Engineering

Fiscal Review:

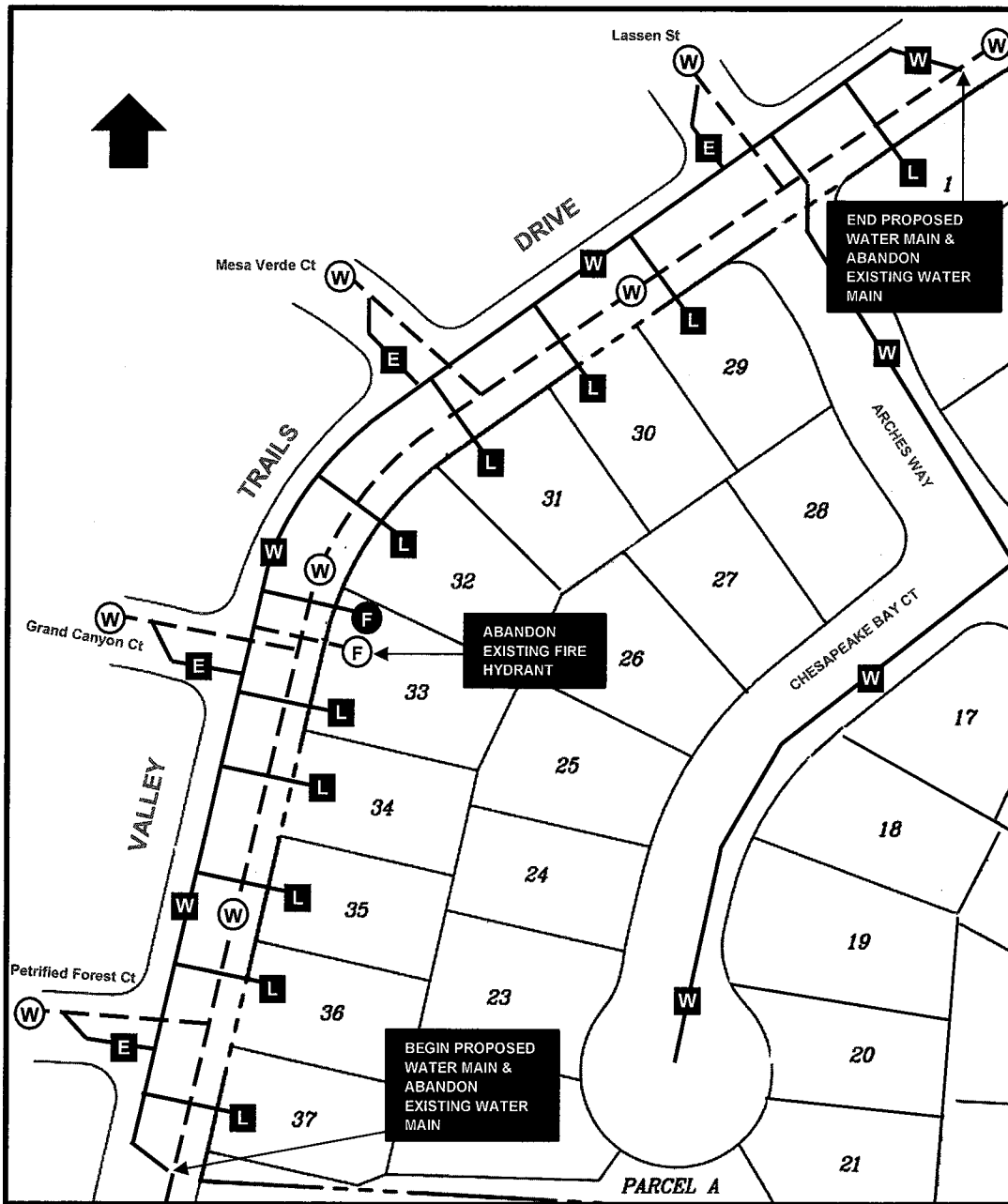

Tina Olson
Director of Finance

Approved by:


Nelson Fialho
City Manager

Attachments:

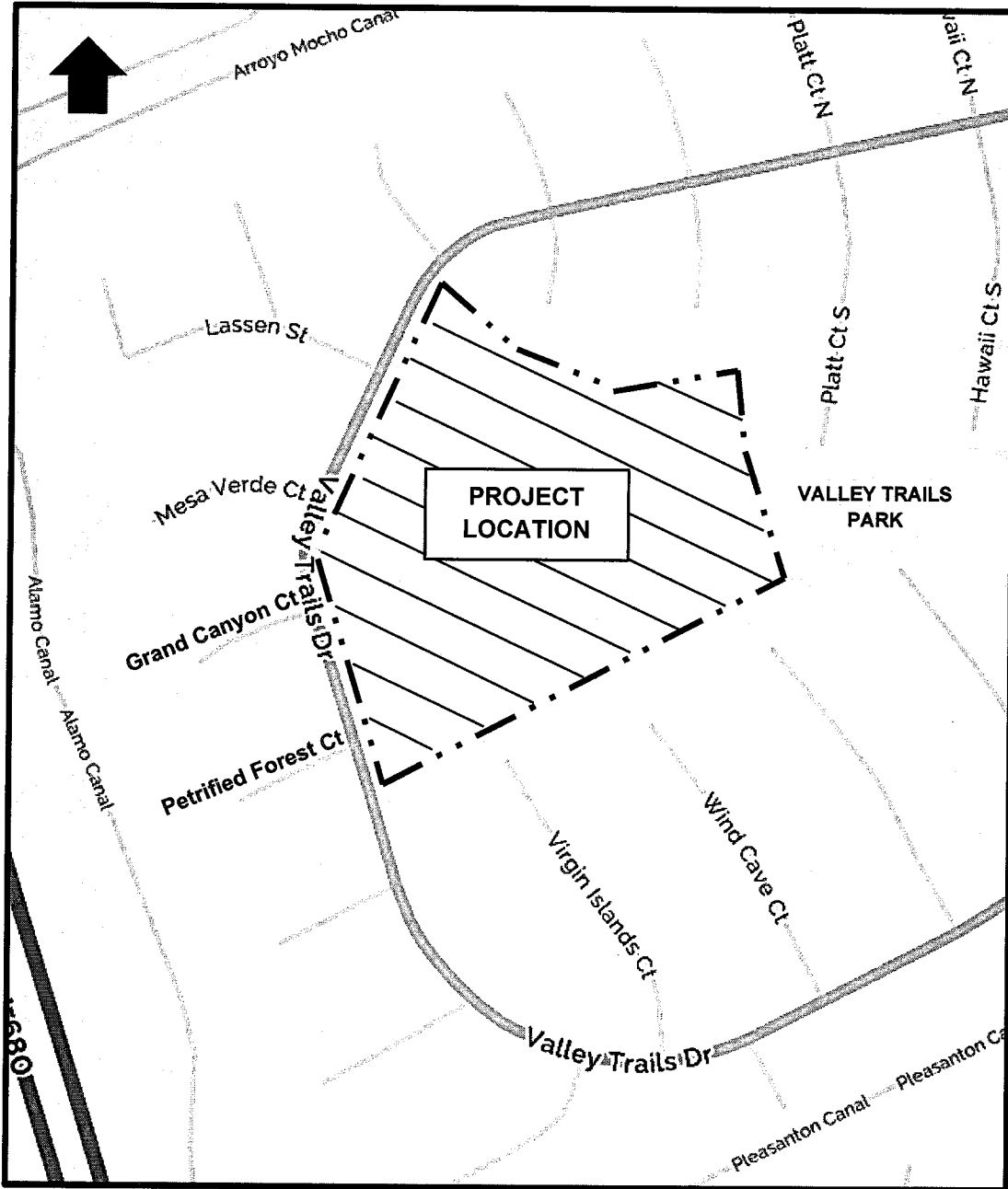
1. Replacement of Existing Public Water Main Exhibit
2. Vicinity Map
3. Amendment to Subdivision Improvement Agreement



LEGEND

EXISTING	PROPOSED	DESCRIPTION
(W)	W	8-INCH WATER MAIN
	L	WATER LATERAL TO RESIDENCE
(F)	F	FIRE HYDRANT
	E	8-INCH WATER MAIN EXTENSION

REPLACEMENT OF EXISTING PUBLIC WATER MAIN
TRACT 8259



VICINITY MAP

TRACT 8259

NOT TO SCALE

**First Amendment to Subdivision Improvement Agreement
Tract 8259**

This First Amendment to Subdivision Agreement is made and entered into on July _____, 2020, by and between Ponderosa Homes II, Inc. ("Subdivider") and the City of Pleasanton ("City").

RECITALS

WHEREAS, on April 17, 2018, Subdivider and City entered into a Subdivision Improvement Agreement ("Agreement") whereby Subdivider agreed to construct the public infrastructure as shown on the city-approved Sycamore Improvement Plans for Tract 8259;

WHEREAS, the parties now wish to modify the Agreement to include additional work to be performed by Subdivider;

WHEREAS, the additional work shall include additional street resurfacing work on Valley Trails Drive as well as associated sidewalk and curb ramp upgrades, and curb and gutter replacement;

WHEREAS, City will reimburse Ponderosa Homes II, Inc., for the actual construction cost of the additional work in an amount not to exceed \$293,595.

NOW, THEREFORE, in consideration of the faithful performance of the promises, terms, conditions and covenants set forth herein by Subdivider, the parties agree as follows:

1. Subdivider shall complete the additional street resurfacing work as directed by City staff.
2. Within 45 days of the completion and acceptance of said work, City shall reimburse Subdivider for the actual cost of construction in an amount not to exceed \$293,595. Subdivider shall be responsible for all other costs of the work, including but not limited to, administration and overhead.
3. Inspection services will be provided by the City at no cost to the subdivider.
4. All other terms and conditions of the Agreement shall remain in full force and effect.
5. This amendment may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one

agreement. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with U.S. federal E-Sign Act of 2000 (15 U.S. Code §7001 et seq.), California Uniform Electronic Transactions Act (Cal. Civil Code §1633.1 et seq.), or other applicable law) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

In witness whereof, authorized representatives of the parties have executed this First Amendment to the Agreement as of the date and year first written above.

CITY OF PLEASANTON

PONDEROSA HOMES II, INC.

Nelson Fialho, City Manager

Jeffrey C. Schroeder,
Senior Vice President

ATTEST:

Karen Diaz, City Clerk

Linda F. Morasch,
Chief Financial Officer

APPROVED AS TO FORM:

Daniel Sodergren, City Attorney