



Council Agenda Report

From: Brian Cowen, City Engineer

Subject: Approval of Amended Reimbursement Agreement for Tract 3069

CEQA Determination: The City Council certified a Mitigated Negative Declaration for Tract 3069 by approving Resolution 16-103. The City finds the amended reimbursement agreement does not constitute a substantial change to the project requiring further environmental review pursuant to CEQA Guidelines Sections 15162 and 15164.

Date: June 20, 2023

Facts

1. Vesting Tentative Tract Map 3069 was approved by the City Council on August 2, 2016.
2. Tract 3069 is an industrial subdivision consisting of 13 large lots with a 134.7-acre remainder parcel.
3. The project is located East of Wisteria Lane, West of Airport Road, and North of State Route 46.
4. The property is accessed at the eastern end of Wisteria Lane, east of Golden Hill Road, and north of State Route 46 East.
5. Tract map approval included conditions of approval requiring recycled water and sewer line oversizing and arterial road construction.
6. Engineering Condition 22 requires the applicant to dedicate right-of-way and install a new two-lane arterial street. The arterial street will be the future new alignment of Airport Road after the construction of the Huer Huro Bridge and Union Road Highway 46 East Overpass. The condition allows a TIF credit/reimbursement agreement because the roadway and facilities are part of the City's AB1600 Project List.
7. On October 5, 2021, City Council adopted Resolution 21-144, approving Reimbursement and Improvement Agreements for Tract 3069.
8. As an additional condition of approval for the Project, due to deteriorative effects that vehicle traffic is anticipated to have on the roadway, Developer is required to provide road paving that meets a Traffic Index of 8.0; however, due to changed conditions in the Project area and sound engineering judgment, it is now the desire of the City that the road paving meet a Traffic Index of 11.5.
9. Developer is willing to pay the additional cost associated with the Oversized Pavement Improvements, subject to City's agreement to reimburse Developer for one hundred percent (100%) of the total cost of the Oversized Pavement Improvements, not to exceed \$294,490, pursuant to the terms of this Agreement.
10. Developer now requests that the City Amend the Reimbursement Agreement for Tract 3069 to include reimbursement for the Oversized Pavement Improvements.

Options

1. Take no action.
2. Approve the First Amended and Restated Oversized Improvements Reimbursement Agreement for Tract 3069 and authorize the City Manager to sign the agreement on behalf of the City Council.

3. Provide alternative direction to staff.

Analysis and Conclusions

Pavement Upgrade to 11.5 Traffic Index

As an additional condition of approval for the Project, due to deteriorative effects that vehicle traffic is anticipated to have on the roadway, Developer is required to provide road paving that meets a Traffic Index ("TI") of 8.0; however, due to changed conditions in the Project area and sound engineering judgment, it is now the desire of the City that the road paving meet a TI of 11.5 ("Oversized Pavement Improvements").

Developer is willing to pay the additional cost associated with the Oversized Pavement Improvements, subject to City's agreement to reimburse Developer for one hundred percent (100%) of the total cost of the Oversized Pavement Improvements, not to exceed \$294,490, pursuant to the terms of this Agreement.

The Oversize Reimbursement Agreement lays out the conditions that must be met by both the City and applicant before a reimbursement can be paid. The agreement conditions include requirements for design, three competitive bids, documentation of costs, controls on change orders and other general City legal agreement language. A reimbursement will only be made once the applicant has provided the City with all required documentation required by the agreement and the line is accepted by the City Council.

Fiscal Impact

The agreement reimburses the developer \$294,490 to construct the road condition beyond their project's impacts. This was known at the time of budget adoption and as a result, the budget appropriations from the Transportation Development Act fund have already been made; no further action is necessary.

CEQA

The City Council certified a Mitigated Negative Declaration for Tract 3069 by approving Resolution 16-103. The City finds the amended reimbursement agreement does not constitute a substantial change to the project requiring further environmental review pursuant to CEQA Guidelines Sections 15162 and 15164.

Recommendation

Approve Resolution 23-XXX, approving the First Amended and Restated Oversized Improvements Reimbursement Agreement and direct the City Manager to sign the agreement on behalf of the Council.

Attachments

1. Resolution 23-XXX
 - a. Exhibit A - First Amended and Restated Oversized Improvements Reimbursement Agreement for Tract 3069