



Council Agenda Report

From: Leslie Frazier, City Engineer/Deputy Community Development Director

Subject: Acceptance of Public Improvements and Rescind the Rejections of Offers of Right-of-Way Dedications for Tracts 3152 and 3155

CEQA Determination: In compliance with the California Environmental Quality Act (CEQA), an initial study and environmental impact report (SCH 2019011065) were prepared for the Olsen South Chandler Specific Plan (Vinedo) and were circulated between 10/17/2019 and 12/2/2019. Staff recommends the City Council find that accepting Sherwood Road and Airport Road for public use does not require additional review under CEQA pursuant to Public Resources Code section 21166 and CEQA Guidelines section 15162 and 15182 (no subsequent or supplemental EIR is required, because no “substantial changes” to the project or to the circumstances under which the project was undertaken are proposed, and there are no “new significant environmental effects” or a “substantial increase in the severity of previously identified significant effects” under the existing EIR).

Date: July 15, 2025

Facts

1. The Olsen South Chandler subdivision is located along the eastern boundary of the City, north of Meadowlark Road and west of Hanson Road, as shown on the Vicinity Map in Attachment 2.
2. On September 1, 2020, the City Council approved Final Map Tract 3152 and 3155 for recordation. On October 7, 2020, the Final Maps were recorded, see Attachments 3 and 4.
3. The Final Maps for Tracts 3152 and 3155 were approved and recorded; however, the City Council rejected without prejudice the offers of dedication for public right-of-way associated with certain portions of Sherwood (shown as Niblick Road on Tract 3152), Airport, and Linne roads.
4. On November 7, 2023, the City Council authorized the City Manager to execute the Subdivision Improvement Agreement for Olsen South Chandler Specific Plan Backbone Infrastructure. The Developer, Olsen Ranch 212, LLC (Developer), entered into the Subdivision Improvement Agreement with the City dated October 26, 2023, to construct public improvements associated with Tracts 3153 and 3154 (the “Vinedo Backbone”), see Attachment 5.
5. The SIA was secured by multiple performance bonds for backbone infrastructure across several geographic “Zones,” as depicted in the bond zone map, see Attachment 6.
6. The Developer has constructed the following streets, with associated utilities, storm drain, signage, striping, landscape, and irrigation, in accordance with the Subdivision Improvement Agreement and in compliance with the improvement plans (Permit #E22-0033), and all applicable City standards:

STREET NAME	FROM	TO	MILES
Sherwood Road	STA 201+50	STA 248+60	0.892
Airport Road	STA 54+80(Linne Rd)	STA 75+15	0.385
Linne Road	STA 300+00 (Roundabout)	STA 308+85	0.168

7. City staff has inspected the work and determined they are the work for these specific areas is substantially complete, except for minor punch list items that do not affect public safety.
8. The remaining punch list items include construction of a curb ramp at Sherwood and Fontana, replacement of the pedestrian railing at Turtle Creek Bridge, and installation of roundabout monumentation signage, street name signage, and monumentation, processed under Permit #ENC25-0117.
9. The remaining segment of Airport Road from Sta 50+00 to Sta 54+80 is currently under construction in accordance with the Subdivision Improvement Agreement and in compliance with the improvement plans, processed under Permit #ENC25-0118.
10. The Applicant has provided Record Drawings and the final certifications to the City Engineer's satisfaction.
11. The Developer has posted performance bonds that guarantee completion of improvements within the Subdivision Improvement Agreement as shown in the Bond Zone Map, Attachment 6, and referenced below.

VINEDO BACKBONE

<u>BOND ZONE</u>	<u>BOND NUMBER</u>	<u>BOND AMOUNT</u>
Zone 1	ES00016279	\$5,296,200
Zone 2	ES00016278	\$4,907,100
Zone 3	ES00016277	\$6,464,000
Zone 4	ES00016281	\$1,715,100
Zone 5	ES00016280	\$2,809,500
Frontage w/out PA13	ES00016276	\$2,872,000

12. Since the improvements are substantially complete, the performance bond amounts may be reduced from the original amount to the estimated costs provided by the developer and reviewed by staff for the remaining work in accordance with the Subdivision Map Act and Government Code section 66499.7. This will not release the relevant payment bond amounts for this work.
13. The Engineer for the County of San Luis Obispo has developed its estimates for the total remaining work. The total remaining updated bond amounts to be posted includes the remaining costs plus administrative and contingency costs. The updated bond amounts, by Bond Zone are:

VINEDO BACKBONE

<u>BOND ZONE</u>	<u>BOND NUMBER</u>	<u>BOND AMOUNT</u>
Zone 1	ES00016279	\$12,100
Zone 2	ES00016278	\$9,700
Zone 3	ES00016277	\$1,280,000
Zone 4	ES00016281	\$9,700
Zone 5	ES00016280	\$124,500
Frontage w/out PA13	ES00016276	\$0

14. The Developer has requested that the City Council accept the portions of the work described above, reduce the bond amount pursuant to Section 6a of the Subdivision Improvement Agreement and in conformance with the Subdivision Map Act, and grant the City Engineer the authority to administratively release the performance bonds, and the monumentation bond, once all checklist items are complete and in amounts verified in consultation with the City Manager and City Attorney.

15. In order to accept the work and incorporate the improvements into the City-maintained road network, the City Engineer recommends rescinding the prior rejection of the right-of-way dedications and accepting the dedications as shown on the recorded Final Maps for Tracts 3152 and 3155.
16. The relevant payment bonds are to be accepted after 90 days from the date of the acceptance of the work.
17. The Applicant will provide a 10% warranty bond for public improvements to be held for a one-year period once the entire project is complete. The partial release of these performance bonds contemplated herein nor the City's acceptance of the work will not start the warranty period. Once the one-year period is complete and clear of any deficiency the bond will be returned.
18. Once the remaining non-public safety improvements are completed, staff is authorized to accept the remaining work. These improvements will be completed under a separate encroachment permit and verified through the City's standard encroachment inspection process.

Community Outreach

None

Options

1. Take no action.
2. Adopt Resolution 25-XXX rescinding the prior rejection and formally accepting the right-of-way dedications for those segments shown on the Final Maps for Tracts 3152 and 3155, accepting the work on portions of Sherwood, Airport and Linne Roads, reducing the performance bond amounts, and granting the City Engineer the authority to administratively release the reduced and performance bond, and the monumentation bond, once all checklist items are complete and in amounts verified in consultation with the City Manager and City Attorney.
3. Provide alternative direction to staff.

Analysis and Conclusions

Sherwood, Airport, and Linne Roads are vital components of the Olsen-South Chandler Specific Plan circulation network, and the associated rights-of-way must be formally accepted into the public system. The portion of the work, which the Developer was required to complete for this subdivision, have been substantially completed, with reduced bonds in place for the remaining portions of work. Further, the City will at a minimum, retain a Warranty Bond for a one-year period for warranty of the improvements installed. The City Engineer will release the warranty security, after the warranty requirements are satisfied. Acceptance of the work and right-of-way dedications ensures long-term public access, connectivity, and maintenance authority.

If this item is approved, the road is anticipated to be open for public use on Wednesday, July 16, 2025.

Fiscal Impact

Upon final acceptance and expiration of the one-year warranty period, the City will assume ongoing maintenance responsibilities for these improvements. These costs are consistent with long-term maintenance planning under the Specific Plan.

CEQA

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Recommendation (Option 2)

Adopt Resolution No. 25-XXX rescinding the prior rejection and formally accepting the right-of-way dedications for those public street segments shown on the Final Maps for Tracts 3152 and 3155, accepting the work on portions of Sherwood, Airport and Linne Roads, reducing the performance bond amounts, and granting the City Engineer the authority to administratively release the reduced bonds for performance, and the monumentation bond, once all checklist items are complete in amounts verified in consultation with the City Manager and City Attorney.

Attachments

1. Resolution 25-XXX Acceptance of Public improvements and Right-of-Way Dedications
2. Vicinity Map
3. Recorded Final Map for Tract 3155
4. Recorded Final Map for Tract 3152
5. Subdivision Improvement Agreement
6. Bond Zone Map