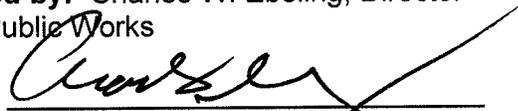


STAFF REPORT
COUNCIL MEETING DATE:
July 23, 2012

ITEMS FOR COUNCIL CONSIDERATION:

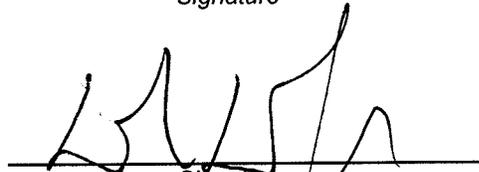
Final Acceptance of Public and Private Improvements for the Chevron Soil Remediation Project and the ConocoPhillips Lot Split Project

Report prepared by: Charles W. Ebeling, Director
Department: Public Works



Signature

**Reviewed by
City Manager:**



Signature

ACTION **NON-ACTION** **STAFF RECOMMENDATION:**

Recommendation: That the City Council accept public and private improvements for the Chevron Soil Remediation Project and the ConocoPhillips Lot Split Project and release the performance bonds and cash deposit securities as described in this Staff Report.

Sample Motion: I move to accept the public and private improvements associated with the Chevron Soil Remediation Project and the ConocoPhillips Lot Split Project and release the associated performance bonds and cash deposit securities as described in the Staff Report.

I. BACKGROUND:

The City of Carpinteria requires cash bonds, cash deposits and/or surety bonds for public and private improvement projects. For City (public) projects, a construction contractor is required to obtain bonds or make cash deposits when bidding a project and for construction performance. The purpose of the bonds (or cash deposits) is to ensure that the contractor has the ability to complete the project as described in the bid documents and that the contractor completes the project (performance bond) once construction has begun. The purpose of the bonds is to

protect the public from financial loss if the contractor fails to perform for any reason, including bankruptcy. The City also requires bonds and/or cash deposits for private development projects.

The purpose of a bond or cash deposit for a private development project is to ensure that the project, as proposed and approved, is completed as agreed. In the event that a private property owner, developer and/or contractor cannot complete a project, the City may have to act, using funding from the bond or cash deposit, to protect public safety and resources. For example, if a developer had partially graded land for a new housing development but was unable to complete the grading due to bankruptcy, the City may determine that it is in the best interest of the community that the developer bond funding is used for remediation so that the exposed graded land did not pose a public safety problem or damage public resources such as nearby creeks.

As previously discussed, the City requires bonds and/or cash deposits for many types of project and permitted activities. Chapter 2.17 of Carpinteria Municipal Code provides direction and policy with respect to the form, type and conditions of the bonds. Section 2.17.110 states that, bonds may be partially release from time to time, in the sole discretion of the City Council, upon recommendation of the City Engineer or City Manager, as the case may be. No bond shall be fully released until the purpose for which the bond has been proposed has been completely fulfilled and any obligation performed in connection therewith has been accepted by the City Council. The purpose of this staff report is for the City Council to accept both private and public improvements that were completed by private project applicants, as listed below, and to release both bonds and cash deposits as described herein.

- Chevron Soil Remediation Project – 5675 Carpinteria Avenue. Project included permits and bonding for grading, drainage and frontage improvements. The frontage improvements included curb, gutter, sidewalk and a landscaped parkway strip.
- ConocoPhillips Lot Split Project – 4401 and 4405 Via Real. Project included permits and bonding for parking lot repair and striping, curb improvements and trash enclosure improvements.

II. DISCUSSION:

Chevron Soil Remediation Project

The site is located at 5675 Carpinteria Avenue (APN's 001-170-003 and -004). The project involved removal and off-site disposal of soil containing chlorinated pesticides from several areas at and adjacent to the Carpinteria Oil and Gas Processing Facility. The proposed project included removal of contaminated water and soil; construction of sediment filter and gate valve; construction of sidewalk, landscaping, curb and gutter along the north (Carpinteria Avenue) and curb and gutter along the east (Dump Road) perimeters of the project site; construction of a culvert to convey water across the site; removal of metal containing soils from former sandblasting activities; grading, revegetation and monitoring. Portions of the proposed work were requirements from the Regional Water Quality Control Board (RWQCB) Clean Up or Abatement Order (CAO) Number R3-2004-0081. The RWQCB approved a project Technical Work Plan on February 18, 2009.

Based on the work outlined in the RWQCB Technical Work Plan and the City's Development Plan/Coastal Development Permit conditions of approval (#04-1167-DP/CDP), the project

applicant applied for and received an Engineering Permit (#5086). As part of the Engineering Permit, performance bonds and a cash deposit were required and provided to the City as assurance that the work will be completed.

At this time, the Department of Public Works has determined that the work described in the permit is substantially complete to the satisfaction of the City Engineer. The applicant has submitted the necessary documentation for the final acceptance of the grading, frontage and drainage improvements. The work has been reviewed by the City Engineer and found to be in substantial compliance with the plans and specifications. A small drainage improvement on Dump Road is yet to be installed due to timing of construction. Staff recommends that the City Council authorize the City Clerk to release Bond Numbers 6753966 and 6753974 in the amounts of \$1,584,000 and \$1,372,500, respectively. Staff also recommends that the City Council authorize the reduction of the Cash Bond amount to \$20,000 to cover the remaining drainage improvement.

ConocoPhillips Lot Split Project

The project site is located at 4401 and 4405 Via Real. Tentative Parcel Map 25,173 was approved by the City and recorded to subdivide the lots occupied with Risdon's 76 Service Station/Carwash and the now removed Carrows Restaurant.

In order to assure that each new lot meet the Zoning Code criteria for its use, parking and site plan modifications had been required on the Risdon's parcel. ConocoPhillips recorded a Subdivision Improvement Agreement and submitted a bond in the amount of \$45,067.93 to ensure the work would be completed. The construction included asphalt repair and parking lot re-stripping, curb replacement/reduction, stump removal, trash enclosure installation, access plate work, and curb painting.

At this time, the Department of Public Works and Community Development Department have determined that the work described in the permit is substantially complete to the satisfaction of the City Engineer and Community Development Director. Staff recommends that the City Council authorize the City Clerk to release Performance Bond Number 105473317 in the amount of \$45,067.93.

III. POLICY:

The release of bonds for the Chevron Soil Remediation Project and the ConocoPhillips Lot Split Project by Council action is consistent with Municipal Code Section 2.17.110 – *Release of Bonds*.

IV. FINANCIAL CONSIDERATIONS:

Approval of this request would be revenue neutral to the General Fund and Public Works Department Budgets. The release of these funds is from the bond cash deposits made previously by the developer.

V. ATTACHMENTS:

None