



## **CITY OF MENIFEE**

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SUBJECT: Bond Replacement for Tracts 32102 and 32102-1 by Pulte Home Company, LLC

MEETING DATE: February 17, 2021

TO: Mayor and City Council

PREPARED BY: Samantha Rodriguez, Senior Management Analyst

REVIEWED BY: Yolanda Macalalad, Assistant City Engineer

APPROVED BY: Armando G. Villa, City Manager

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### **RECOMMENDED ACTION**

1. Approve the replacement bonds and agreements for streets and drainage, water system, recycled water, and sewer system for Tracts 32102 and 32102-1, a proposed development by Pulte Home Company, LLC consisting of 256 residential lots located northwest of Domenigoni Parkway and east of Lindemberger Road; and
2. Approve the release of existing lien and lien agreement with Diamond Brothers Five Partnership for Tracts 32102 and 32102-1 for streets and drainage, water system, recycled water, and sewer system

### **DISCUSSION**

Tracts 32102 and 32102-1, also known as Menifee Village Development, cover a total area of 77 acres proposed for development of 256 residential lots located northwest of Domenigoni Parkway and east of Lindemberger Road. The original developer, Diamond Brothers Five Partnership (Diamond Brothers), is in the process of selling the project to Pulte Home Company, LLC. (Pulte Group), who will complete the construction of the residential units in the development.

To proceed with construction, Pulte Group is required to replace the existing lien and lien agreement (with Diamond Brothers) with bonds and agreements under their name. Upon approval and acceptance of the replacement bonds and agreements, the original lien posted by Diamond Brothers, and the associated lien agreement, will be released. Below is a summary of the original lien and lien agreement, and the replacement bonds and agreements.

Staff reviewed the request and has determined that the replacement bonds and agreements meet the requirements of the project conditions.

#### A. Tract 32102

Improvement	Original Security Lien (Diamond Brothers)	New Security Bonds (Pulte Group)	Faithful Performance	Labor & Material
Streets and Drainage	2020-0452860	ES00007018	\$2,235,000	\$1,117,500
Sewer System	2020-0452860	ES00007018	\$390,000	\$195,000
Water System	2020-0452860	ES00007018	\$582,000	\$291,000
Recycled Water	2020-0452860	ES00007018	\$107,000	\$53,500
<b>Total</b>			<b>\$3,314,000</b>	<b>\$1,657,000</b>

#### B. Tract 32102-1

Improvement	Original Security Lien (Diamond Brothers)	New Security Bonds (Pulte Group)	Faithful Performance	Labor & Material
Streets and Drainage	2020-0452860	ES00007019	\$6,454,000	\$3,227,000
Drainage (future RCFC)	2020-0452860	ES00007019	\$509,000	\$254,500
Rec. Water System	2020-0452860	ES00007019	\$191,500	\$95,750
Water System	2020-0452860	ES00007019	\$663,500	\$331,750
Sewer System	2020-0452860	ES00007019	\$518,000	\$259,000
<b>Total</b>			<b>\$8,336,000</b>	<b>\$4,168,000</b>

#### STRATEGIC PLAN OBJECTIVE

Regular City Business

#### FISCAL IMPACT

There is no fiscal impact associated with the recommended action, as the developer paid the necessary fees and deposits to pay for the inspection of completed facilities, and review and processing of documents required for bond replacements.

#### ATTACHMENTS

1. Vicinity Map TR 32102 and 32102-1
2. Agreement for Road and Drainage TR 32102-1
3. Agreement for Sewer System TR 32102-1
4. Agreement for Water System TR 32102-1
5. Agreement for Recycled Water System TR 32102-1
6. Faithful Performance Bond TR 32102-1
7. Material and Labor Bond TR 32102-1
8. Agreement for Road and Drainage TR 32102

9. Agreement for Sewer System TR 32102
10. Agreement for Water System TR 32102
11. Agreement for Recycled Water System TR 32102
12. Faithful Performance Bond TR 32102
13. Material and Labor Bond TR 32102
14. Original Lien Agreement TR 32102 and 32102-1