

## ITEM 4.9

### **CITY MANAGER'S REPORT DECEMBER 14, 2020 CITY COUNCIL REGULAR MEETING**

**ITEM:**                               **ACCEPTANCE OF PUBLIC IMPROVEMENTS FOR THE BUZZ OATES DEVELOPMENT LOCATED AT 17100 MURPHY PARKWAY AND AUTHORIZE THE RELEASE OF BONDS ASSOCIATED WITH EP NO. 2018-10**

**RECOMMENDATION:**   **Adopt Resolution Accepting Public Improvements for the Buzz Oates Development located at 17100 Murphy Parkway and Authorize the Release of Bonds Associated with Encroachment Permit No. 2018-10**

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#### **SUMMARY:**

Buzz Oates Construction, Inc., the developer for 17100 Murphy Parkway, has completed the construction of the public improvements. The approximate value of the improvements being accepted is \$434,245.21, as shown in the project GASB34 Report. These improvements have been inspected by the City Engineer and have been deemed complete. Staff recommends City Council accept the public improvements in accordance with City specifications. The costs to maintain these facilities will be covered through the existing City of Lathrop Public Works operating budget.

The developer has provided a one-year warranty bond based on 10% of the construction costs and a lien release for the improvements being accepted.

#### **BACKGROUND:**

17100 Murphy Parkway was originally part of the former Pilkington Property. A Lot Line Adjustment request was approved by the City (LLA-07-147) in 2008, which adjusted several property lines and resulted in the creation of the 48-acre project site. The majority of the 48-acre site was being used as land application for treated wastewater effluent from the Pilkington wastewater treatment facility prior to approval of the Buzz Oates project.

On June 14, 2017, the City of Lathrop Planning Commission approved the Site Plan Review No. SPR-16-139. This allowed the construction of an 870,240 square foot warehouse and distribution building on the 48-acre site. The Conditions of Approval associated with SPR-16-139 required the installation of frontage improvements along Murphy Parkway and connection to existing sewer in D'Arcy Parkway. The improvements included but were not limited to curb, gutter, sidewalk, landscape, street light, water and sewer lines, fire hydrant, etc.

Construction of the frontage improvements are complete and the approximate value of the improvements being accepted is \$434,245.21 as shown in the project GASB 34 Report, included as Attachment C.

**CITY MANAGER’S REPORT** **PAGE 2**  
**DECEMBER 14, 2020 CITY COUNCIL REGULAR MEETING**  
**ACCEPTANCE OF PUBLIC IMPROVEMENTS FOR THE BUZZ OATES**  
**DEVELOPMENT LOCATED AT 17100 MURPHY PARKWAY AND AUTHORIZE THE**  
**RELEASE OF BONDS ASSOCIATED WITH EP NO. 2018-10**

The public facilities will be maintained by the City and the costs to maintain these facilities will be covered through the existing City of Lathrop Public Works operating budget.

Buzz Oates provided a performance bond (Bond No. 12163269) to the City upon issuance of Encroachment Permit (EP) 2018-10 in the amount shown in Table 1 that guaranteed the construction of the offsite improvements. The performance bond will be released and replaced with a warranty bond upon acceptance of the improvements.

*Table 1*

Description	Performance Bond Number & Amount	Warranty Bond Number & Amount
Encroachment Permit 2018-10	12163269 \$339,400.00	12163269 \$33,940.00

**REASON FOR RECOMMENDATION:**

The City Engineer has inspected the offsite improvements for the Buzz Oates project located at 17100 Murphy Parkway and confirmed that the improvements have been completed in accordance with City specifications. Buzz Oates has submitted a master lien release, confirming all contractors have been paid in full, and a one-year warranty bond for the improvements being accepted. Staff recommends Council accept the improvements to allow the City to provide maintenance.

**FISCAL IMPACT:**

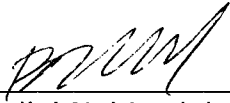
The approximate value of the improvements being accepted is \$434,245.21 as shown in the project GASB34 Report and the costs to maintain these facilities will be covered through the existing City of Lathrop Public Works operating budget. The one-year warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements.

**ATTACHMENTS:**

- A. Resolution Accepting Public Improvements for the Buzz Oates Development Located at 17100 Murphy Parkway and Authorize the Release of Bonds Associated with Encroachment Permit No. 2018-10
- B. Location Exhibit – 17100 Murphy Parkway Offsite Improvements
- C. GASB 34 Report – 17100 Murphy Parkway Offsite Improvements

**CITY MANAGER'S REPORT** **PAGE 3**  
**DECEMBER 14, 2020 CITY COUNCIL REGULAR MEETING**  
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**DEVELOPMENT LOCATED AT 17100 MURPHY PARKWAY AND AUTHORIZE THE**  
**RELEASE OF BONDS ASSOCIATED WITH EP NO. 2018-10**


**APPROVALS:**

  
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Bellal Nabizadah  
Junior Engineer

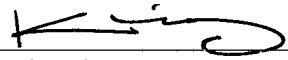
11/23/2020  
Date

  
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Brad Taylor  
Associate Engineer

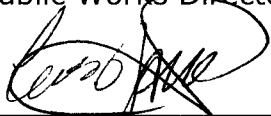
11/23/2020  
Date

  
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Glenn Gebhardt  
City Engineer


12/1/2020  
Date

  
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Michael King  
Public Works Director

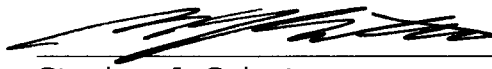
11-24-2020  
Date

  
\_\_\_\_\_  
Cari James  
Finance & Administrative Services Director

12/2/2020  
Date

  
\_\_\_\_\_  
Salvador Navarrete  
City Attorney

11-30-2020  
Date

  
\_\_\_\_\_  
Stephen J. Salvatore  
City Manager

12.7.2020  
Date

**RESOLUTION NO. 20-**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP ACCEPTING PUBLIC IMPROVEMENTS FOR THE BUZZ OATES DEVELOPMENT LOCATED AT 17100 MURPHY PARKWAY AND AUTHORIZE THE RELEASE OF BONDS ASSOCIATED WITH ENCROACHMENT PERMIT NO. 2018-10**

**WHEREAS**, 17100 Murphy Parkway was originally part of the former Pilkington Property. A Lot Line Adjustment request was approved by the City (LLA-07-147) in 2008. The majority of the 48-acre site was being used as land application for treated wastewater effluent from the Pilkington wastewater treatment facility; and

**WHEREAS**, on June 14, 2017, City of Lathrop Planning Commission approved the Site Plan Review No. SPR-16-139. This allowed the construction of an 870,240 square foot warehouse and distribution building on the 48-acre site; and

**WHEREAS**, the Conditions of Approval associated with SPR-16-139 required the installation of frontage improvements along Murphy Parkway. The improvements included but were not limited to curb, gutter, sidewalk, landscape, street light, fire hydrant, etc.; and

**WHEREAS**, construction of the frontage improvements is complete and the approximate value of the improvements being accepted is \$434,245.21 as shown in the project GASB 34 Report, included as Attachment "C" to the City Managers Report; and

**WHEREAS**, the public facilities will be maintained by the City and the costs to maintain these facilities will be covered through the existing City of Lathrop Public Works operating budget; and

**WHEREAS**, Buzz Oats Construction Inc. has provided Warranty Bonds to guarantee replacement and/or repair of the improvements as a result of defective materials, equipment, or defective workmanship for a period of one year from the date of acceptance; and

**WHEREAS**, Buzz Oates provided a performance bond (Bond No. 12163269) to the City upon issuance of Encroachment Permit 2018-10 in the amount shown in Table 1 that guaranteed the construction of the offsite improvements. The performance bond will be released and replaced with a warranty bond upon acceptance of the improvements; and

*Table 1*

<b>Description</b>	<b>Performance Bond Number &amp; Amount</b>	<b>Warranty Bond Number &amp; Amount</b>
Encroachment Permit 2018-10	12163269 \$339,400.00	12163569 \$33,940.00

**WHEREAS**, the City Engineer has inspected the offsite improvements for the Buzz Oates project located at 17100 Murphy Parkway and confirmed that the improvements have been completed in accordance with City specifications; and

**WHEREAS**, Buzz Oates has submitted a master lien release, confirming all contractors have been paid in full, and a one-year warranty bond for the improvements being accepted. Staff recommends Council accept the improvements to allow the City to provide maintenance.

**NOW, THEREFORE, BE IT RESOLVED**, that the City Council of the City of Lathrop does hereby accept the public improvements for the Buzz Oates development located at 17100 Murphy Parkway and authorize the release of bonds associated with Encroachment Permit No. 2018-10.

The foregoing resolution was passed and adopted this 14th day of December 2020, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

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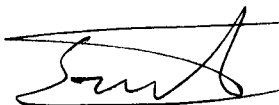
Sonny Dhaliwal, Mayor

**ATTEST:**

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Teresa Vargas  
City Clerk

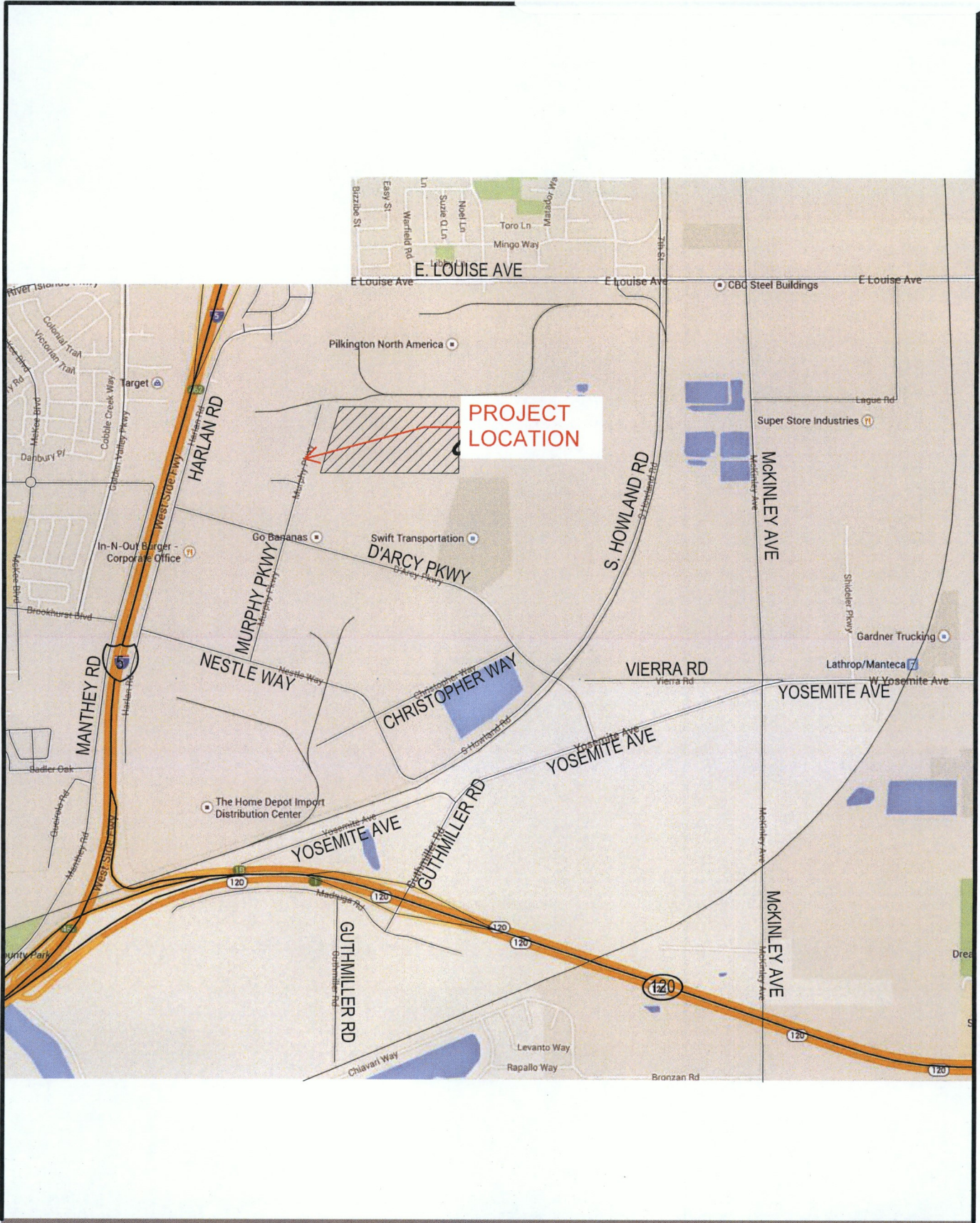
**APPROVED AS TO FORM:**



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Salvador Navarrete  
City Attorney





BUZZ OATS  
MURPHY PARKWAY OFF-SITE IMPROVEMENTS  
LATHROP, CALIFORNIA

Project No. 11125287  
Report No.  
Date 11/06/2020

LOCATION MAP

FIGURE 1

# ATTACHMENT C

**CITY OF LATHROP  
Project Acceptance  
(GASB 34 REPORT)**

Date: 11-10-2020

Submitted by: Buzz Oates Construction  
17100 Murphy Parkway - Offsite Improvements -  
Lathrop, CA

Based on Improvement and Grading Plans prepared by GHD, Inc. dated 03-09-2018

Item	Unit	Quantity	Unit Cost	Cost
Traffic Control for all Off-Site Work	LS	1	\$ 24,000.00	\$ 24,000.00
Sawcut for Sewer Install	LF	2520	\$ 2.25	\$ 5,670.00
Grind AC from Murphy Parkway	SF	18095	\$ 0.52	\$ 9,409.40
Rough Grade/Road Ex	CY	400	\$ 12.00	\$ 4,800.00
Subgrade & Fine Grade Gurb & Gutters & DW	LF	268	\$ 4.00	\$ 1,072.00
Subgrade & Fine Grade AC Areas	SF	5714	\$ 0.25	\$ 1,428.50
6" AB under Curb & Gutter & DW	SF	1109	\$ 1.25	\$ 1,386.25
15" AB under Pavement	SF	5714	\$ 1.90	\$ 10,856.60
Vertical Curb & Gutter City Det R-7	LF	268	\$ 19.00	\$ 5,092.00
Comm. Driveway w/2 Curb Ramps	EA	1	\$ 10,750.00	\$ 10,750.00
7.5" AC Pavement	SF	5714	\$ 4.30	\$ 24,570.20
Connect to Existing SSMH - Offsite	EA	1	\$ 25,000.00	\$ 25,000.00
10" Sewer PVC SDR 26 in Ex Street	LF	920	\$ 115.00	\$ 105,800.00
Sanitary Sewer Manhole	EA	3	\$ 7,000.00	\$ 21,000.00
Sewer AC Repair - 8ft Wide Per Plan & Det R28B	LF	840	\$ 75.00	\$ 63,000.00
Concrete Repairs - Offsite Sewer	LS	1	\$ 17,000.00	\$ 17,000.00
Connect to Existing SDMH	EA	1	\$ 15,000.00	\$ 15,000.00
48" Storm RCP	LF	65	\$ 190.00	\$ 12,350.00
24" Storm RCP	LF	72	\$ 65.00	\$ 4,680.00
Storm Drain Saddle Manhole	EA	1	\$ 6,900.00	\$ 6,900.00
Connect to Existing Water - Offsite	EA	1	\$ 5,000.00	\$ 5,000.00
10" Fire Water PVC	LF	239	\$ 50.00	\$ 11,950.00
10" Gate Valve	EA	4	\$ 2,350.00	\$ 9,400.00
			Subtotal	\$ 396,114.95
<b>Change Orders</b>				
Gas Abandonment	LS	1	\$ 20,857.00	\$ 20,857.00
D'Arcy sewer tie-in : premium time	LS	1	\$ 4,432.00	\$ 4,432.00
Murphy storm drain weekend tie in	LS	1	\$ 3,554.00	\$ 3,554.00
Off-site Curb and Gutter	LF	522	\$ 14.00	\$ 7,305.26
Gas Abandonment Landscaping	LS	1	\$ 1,982.00	\$ 1,982.00
<b>Grand Total:</b>				<b>\$ 434,245.21</b>