

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

312 A



FROM: TLMA – Transportation Department

SUBMITTAL DATE:
October 9, 2013

SUBJECT: Tract 26686, Subdivision Improvement Takeover Agreement and Tolling Agreement, Fifth Supervisorial District/Fifth Supervisorial District [\$0]

RECOMMENDED MOTION: That the Board of Supervisors approve and execute the attached Takeover Agreement and Tolling Agreement, which allow Arch Insurance Company to complete the necessary improvements for public health and safety bonded subdivision improvements in place of the defaulted developer.

BACKGROUND:

Summary

On May 17, 2005, pursuant to Government Code Section 66462, the County of Riverside (County), acting through the Board of Supervisors and The Cove at Palm Springs, LP entered into Subdivision Improvement Agreements for the construction of streets and the installation of water and sewer systems within the above-referenced subdivision. Faithful Performance Bonds with Materials and Labor Bonds were posted by Arch Insurance Company to guarantee the completion of the improvements within the subdivision. The required improvements have only been partially completed in accordance with the approved plans, and The Cove at Palm Springs, LP abandoned the project and defaulted on the Subdivision Improvement Agreements.


Juan C. Perez
Director of Transportation and Land Management

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost:	POLICY/CONSENT (Per Exec. Office)
COST	\$ 0	\$ 0	\$ 0	\$ 0	Consent <input type="checkbox"/> Policy <input checked="" type="checkbox"/>
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0	

SOURCE OF FUNDS: N/A

There are no General Funds used in this project.


Budget Adjustment: N/A

For Fiscal Year: N/A

C.E.O. RECOMMENDATION:

APPROVE

BY:


Tina Grande

County Executive Office Signature

MINUTES OF THE BOARD OF SUPERVISORS

APPROVED COUNTY COUNSEL
10-10-13
ELENA M. BOEVA
DATE

☐ Positions Added
☐ Change Order
☐ A-30
☐ 4/5 Vote

Prev. Agn. Ref.: 5/17/05, Item 2-16

District: 5/5

Agenda Number:

3-57

BACKGROUND:

Summary (continued)

On July 28, 2008, the County, through Transportation Department, issued a Notice of Default to The Cove at Palm Springs, LP notifying them and their surety, Arch Insurance Company, of the default. The County also made a demand upon Arch Insurance Company, as surety issuing the subdivision bonds, to complete the bonded improvements within the subdivision and to pay the subcontractors that performed work and supplied materials to The Cove at Palm Springs, LP.

The subdivision has only a small portion of the total tract improvements complete with some residential dwelling units, which are constructed and occupied. Only improvements necessary for the safety and welfare of these residents and the surrounding public and environment need to be installed at this time. Arch Insurance Company has agreed to take over and procure completion of certain improvements necessary for the safety and welfare of these residents, the surrounding public, and environment on the above-referenced tract. The improvements necessary to be constructed at this time for Tract 26686 are more fully described in Exhibit C to the attached Takeover Agreement.

Impact on Citizens and Businesses

The execution of this agreement allows for certain improvements for the safety and welfare of these residents, the surrounding public, and environment to be constructed. This construction will make the neighborhood more complete and allow for full public use, including allowing more homes to be built, filling out this portion of the community and eliminating blight.

SUPPLEMENTAL

Additional Fiscal Information

There is no fiscal impact to the County.

Contract History and Price Reasonableness

N/A