



DATE: June 22, 2021

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Developer Reimbursements, Projects 20-11 and 21-11 – Amend Developer Reimbursement Agreement**

RECOMMENDATION

Authorize the City Manager to amend the existing developer reimbursement agreement with Google LLC for the Charleston Road Improvements – Phase 1 project for an additional \$100,000 from Developer Reimbursements, Projects 20-11 and 21-11, for a total not-to-exceed amount of \$136,000.

BACKGROUND

Each year, the Public Works Department allocates funding in the Capital Improvement Program to allow the City to direct and reimburse developers to perform improvements, on the City's behalf, adjacent to or near a private development site that is not required as part of the development project. Typically, this includes necessary repair work, improvement work, or unforeseen conditions during the course of the development's construction work. Having the development project perform this work ensures the work is completed in a timely, cost-effective, and efficient manner while a contractor is mobilized at the site performing similar work. The developer is reimbursed through a reimbursement agreement executed between the City and the developer.

The Charleston Road Improvements – Phase 1 project (Project) is a voluntary Google LLC (Google)-funded design and construction project. The Project is implementing the North Bayshore Precise Plan priority transportation improvement project on a majority of Charleston Road between Shoreline Boulevard and Huff Avenue, including substantial improvements at the Shoreline Boulevard intersection.

In August 2020, the City executed a reimbursement agreement with Google in the amount of \$36,000 to construct recycled water improvements at the Charleston Road and Shoreline Boulevard intersection as part of the Project.

ANALYSIS

During construction, two unforeseen underground site conditions were identified outside the original scope of the Project. These items include:

- At the Charleston Road and Shoreline Boulevard intersection, existing utility conflicts were encountered prohibiting the recycled water improvements to be completed as originally designed, and additional effort and material were required for construction.
- The existing electrical power supply line for the public streetlights on Charleston Road was improperly supplied by the existing traffic signal at the Charleston Road and Shoreline Boulevard intersection. Due to the signal replacement work performed by Google at this intersection, the power to the streetlights was lost, and a new proper electrical connection supply was needed for the streetlights, which required the installation of new conduits and wires.

Due to encountering these conditions during active construction and to not delay the contractor and incur further charges, field direction was provided to address these items as they occurred. Completing these improvements while Charleston Road Improvements—Phase 1 was under construction allowed the work to be completed efficiently while the contractor was mobilized and without incurring additional charges. Staff reviewed the costs associated with these items and determined that they are reasonable and consistent with typical costs of this nature. Staff recommends an amendment to the existing reimbursement agreement to reimburse Google for this work.

FISCAL IMPACT

The existing reimbursement agreement is funded in the amount of \$36,000 from Developer Reimbursements, Project 17-11. Staff recommends Developer Reimbursements, Projects 20-11 and 21-11, which include the Construction/Conveyance Tax Fund and Water Fund as funding sources, for the amendment to the existing reimbursement agreement. The recommended action would increase the existing reimbursement agreement funding by \$100,000 from Projects 20-11 and 21-11 for a total not-to-exceed amount of \$136,000. There is sufficient funding to amend the reimbursement agreement.

ALTERNATIVES

1. Direct staff to provide an alternative funding source for the amendment to the reimbursement agreement.
2. Provide other direction.

PUBLIC NOTICING – Agenda posting.

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