



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Elizabeth Gibbs, City Manager

PREPARED BY: Nate Smith, Deputy Director of Public Works/City Engineer
Art Vela, Director of Public Works

MEETING DATE: June 23, 2026

SUBJECT: Accept a Subdivision Improvement Agreement, Payment Bond, and Faithful Performance Bond for the Construction of Highland Home Road North within Tract Map 39262-1

STAFF RECOMMENDATION:

Accept a Subdivision Improvement Agreement, Payment Bond, and Faithful Performance Bond for the Construction of Highland Home Road North within Tract Map 39262-1

BACKGROUND:

A condition of approval for the Atwell Specific Plan is the construction of necessary backbone roadway improvements that include Highland Home Road. The portion of Highland Home Road covered by this agreement is roughly from the Southern California Edison easement northerly within the limits of Tract Map 39262-1.

A Subdivision Improvement Agreement is a binding agreement that protects the City of Banning when private development constructs what will be public facilities. A stipulation in the agreement is that the developed provides Payment Bonds and Faithful Performance Bonds that ensure if there is a work stoppage by the developer at a critical phase of construction, the City can call on the bonds to ensure that suppliers are paid for the materials supplied, and/or labor costs to complete the improvements.

The Subdivision Improvement Agreement identifies when a project will be accepted by the City of Banning for public maintenance and operation. Upon satisfactory completion of the work as approved by the City Engineer, an acceptance and bond reduction will be brought to City Council for consideration. From that point, there will be a 12-month warranty period where any defects will be corrected by the developer. After the 12-month warranty period, and upon satisfactory condition approved by the City Engineer, the remaining bond amounts would be exonerated by staff.

JUSTIFICATION:

The Subdivision Improvement Agreement and required bonds are standard practice by the City of Banning where public improvements are being constructed by private developers as a measure to protect the City of Banning if the improvements were left incomplete or present a hazard to the public.

FISCAL IMPACT:

None

ATTACHMENTS:

1. [SIA HHR North.pdf](#)

2. HHR North Bonds