



CITY OF BANNING STAFF REPORT

TO: CITY COUNCIL

FROM: Douglas Schulze, City Manager

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

MEETING DATE: November 12, 2024

SUBJECT: Consideration of Resolution 2024-179, Approving a Subdivision Improvement Agreement with RSI Development Banning, LLC for Tract 36939 and Accepting Performance and Labor and Material Bonds for Public Improvements and Exonerate Existing Bonds Submitted by the Previous Property Owner

RECOMMENDATION:

Adopt Resolution 2024-179.

BACKGROUND:

The City of Banning requires that project owners of subdivisions enter into a Subdivision Improvement Agreement and provide bonds to the City to guarantee the improvements of the associated public improvements required through the project Conditions of Approval. These items are brought to City Council when approval of the Final Maps are considered for recordation.

On October 22, 2019, City Council approved Resolution 2019-133 approving final Tract Map 36939, releasing the map for recordation, authorizing staff to sign the Subdivision Improvement Agreement and Final Tract Map, and accept performance and labor and material bonds for public improvements. With the adoption of the resolution, the map was signed and recorded with the County of Riverside, and the City signed the Subdivision Improvement Agreement and accepted the required bonds. The Subdivision Improvement Agreement with this action has expired.

In the intervening years, the ownership of the property has changed hands to a new entity, RSI Development Banning, LLC. To remain compliant with City of Banning policy, WJK has submitted a new Subdivision Improvement Agreement and associated Performance, Labor and Material Bonds. This subdivision agreement will replace the existing agreement with the previous owner. The new bonds will also replace the current bonds for the project based on updated construction costs.

As of the publishing date of this report, the new developer did not have an anticipated construction start date. The term of the Subdivision Improvement Agreement is valid for 2 years, and may be extended if work in good faith is underway. If work has not started by the expiration of the agreement, a new agreement and updated bonds would be required.

JUSTIFICATION:

The Public Works Department will require that an updated Subdivision Improvement Agreement and related bonds are in place prior to the issuance of any Encroachment Permit on the required public improvements with the project's Conditions of Approval.

It is not necessary to have two sets of bonds for the same required public improvement. This action would also release the previous bonds that remain held by the City of Banning.

FISCAL IMPACT:

None. The Subdivision Improvement Agreement and related bonds assure that when the developer begins work on the public improvements, and if the private developer suspends work prior to its completion, the City has a mechanism to complete the work to protect the public interests and safety at the developers expense.

ALTERNATIVES:

Do not adopt Resolution 2024-179 and provide alternate direction to staff.

BUDGETED?:

No

CONTRACT/AGREEMENT:

Yes

ATTACHMENTS:

1. [Resolution 2024-179.docx](#)
2. [WJK Homes SIA.pdf](#)
3. [TR 36939 Improvement Bonds.pdf](#)
4. [CC Resolution No. 2019-133.pdf](#)