



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Remon Habib, City Engineer

Date: July 23, 2024

Subject: Reimbursement Agreement with Pulte Homes for Pavement Improvements

Recommendation

Approve and authorize the City Manager to execute a reimbursement agreement with Pulte Home, Inc. in the amount of \$128,915.20 for pavement improvements in such final form as approved by the City Attorney.

Background

Pulte Homes is constructing 344 Single-family residential units in the Alberhill neighborhood of the City as part of 28214 Tract (Alberhill Ranch). One of the conditions of approval for the project is to widen Nichols Road between Lake Street and Terra Cotta Road and to grind and overlay the existing cross-section adjacent to the widening.

Upon recent inspection of a portion of the road, 38,000 SF of pavement was identified as alligatored and deteriorated to the point that an overlay would not be a suitable rehabilitation. This section must be removed and replaced by an additional 4 inches of pavement. This work falls outside of the conditions of approval.

Discussion

Pulte Homes reached out to the City, and City staff negotiated a tentative agreement whereby the City would participate in the additional cost in order to proceed with the correct pavement treatment. Removing and replacing the deteriorated pavement will ensure that the newly placed pavement will reach its full life without needing early intervention by the City. The cost share to the City is \$128,915.20.

Agreement with Pulte Homes

Staff reviewed the estimate against recently completed projects and concluded that it's to the City's benefit to have Pulte Homes perform the work now and take advantage of the contractor and crews that are already mobilized, as well as traffic control already set up in the area. Doing this work as a separate project by the City would result in higher costs and significant delays. Pulte and its subcontractors plan to perform the remaining paving work at Nichols by the end of July.

Fiscal Impact

Fiscal Impact from the reimbursement agreement results into \$128,915.20 which will be paid for as part of funding allocated to Capital Pavement Rehabilitation Projects allocated by the City under its CIP plan.

Attachments

Attachment 1 - Reimbursement Agreement
Exhibit A - Reimbursement Request from Pulte Homes