

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council
FROM: Yugal K. Lall, City Engineer/Public Works Director 
DATE: August 6, 2008 (CC Meeting of 08/20/08)
SUBJECT: Consider Exoneration of Letters of Credit for Moorpark Carlsberg Holdings, LLC for Industrial Planned Development No. 2000-01 Patriot Commerce Center

BACKGROUND

This project is a 33.04 acre Industrial Planned Development (IPD 2000-01) located west of the 23 Freeway, east of Miller Parkway, and approximately 230 feet south of Los Angeles Avenue, as shown on Attachment 1.

DISCUSSION

The developer, Moorpark Carlsberg Holdings, LLC, has requested an exoneration of the letters of credit for this development.

These letters of credit were used as a mechanism to guarantee the construction of the grading, drainage, erosion control, and public street improvements for this development. The improvements guaranteed by Letters of Credit Nos. NZS616477 and NZS616480 in the amounts of \$175,628.00 (for grading) and \$2,196,125.00 (for Patriot Drive street improvements, drainage, and erosion control), respectively, have been completed and accepted by the City, and staff recommends that the letters of credit be exonerated and replaced with 10% warranty bonds. The contractor for the developer has submitted two replacement surety bonds for warranty maintenance purposes in the amounts of \$17,562.80 (bond #34BCSDX8094) and \$219,612.50 (bond #34BCSEU9728), respectively, or ten percent (10%) of the value of the letters of credit to be exonerated. The rider bonds necessary to bind the developer to the bonds submitted by the contractor are expected to be received by the City prior to August 20, 2008. If the rider bonds are not received, staff will request that this item be pulled from the agenda. The replacement bonds will be in full effect for the one year warranty period, and be fully exonerated one year after approval of this item with written confirmation from the City Engineer that no warranty work is required.

The following are the applicable letters of credit:

	<u>LETTER OF CREDIT TYPE</u>	<u>LETTER OF CREDIT NUMBER</u>	<u>ORIGINAL LETTER OF CREDIT AMT.</u>	<u>PRIOR AUTHORIZED ACTIONS</u>	<u>AUTHORIZED ACTION OF 08/20/2008</u>
1	Irrevocable Standby Letter of Credit	NZS616477	\$175,628.00 (Grading)	NONE	Exonerate
2	Irrevocable Standby Letter of Credit	NZS616480	\$2,196,125.00 (Street/Storm Drain/Erosion Control)	NONE	Exonerate

FISCAL IMPACT

None.

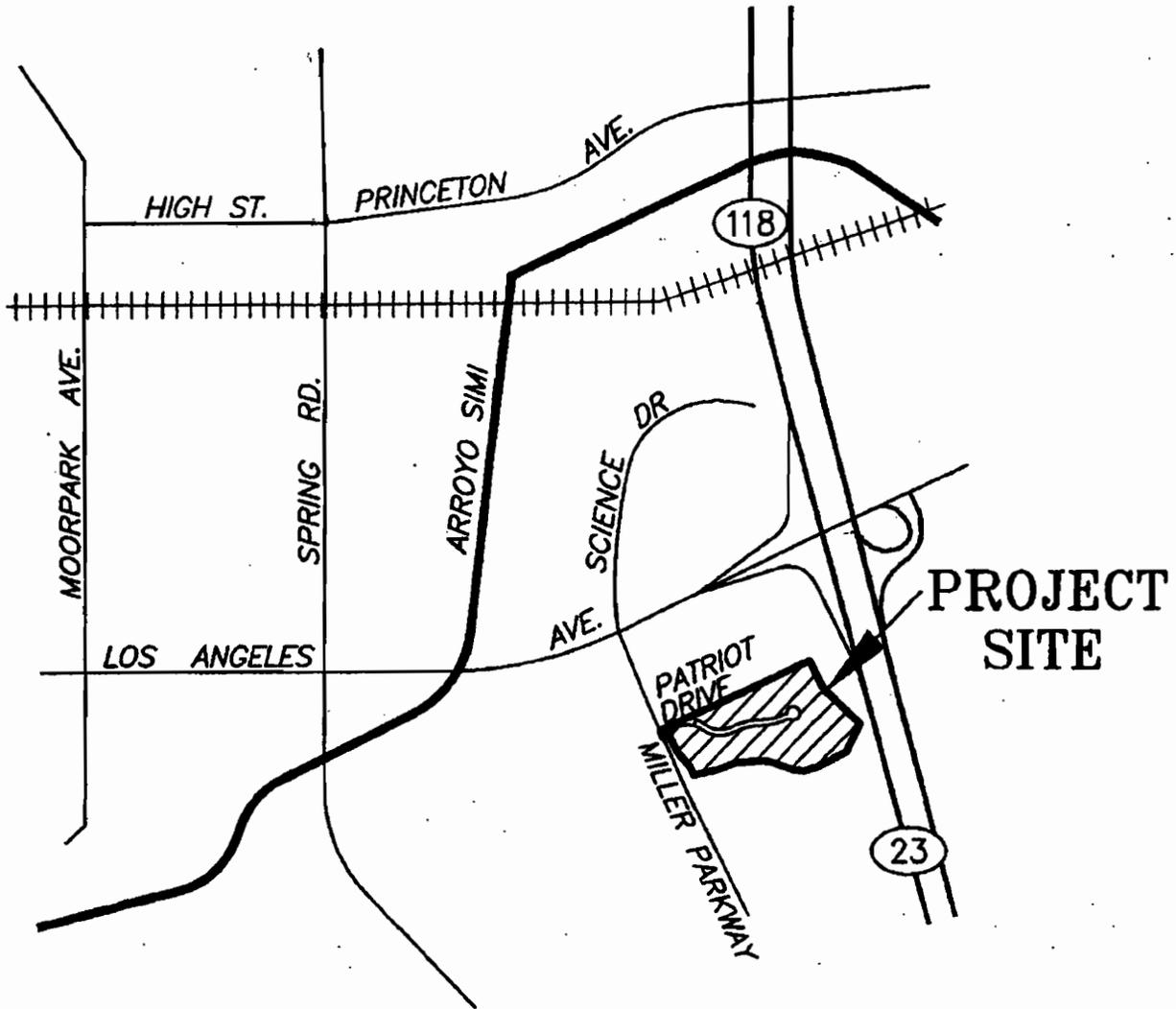
STAFF RECOMMENDATIONS

1. Authorize the City Clerk to exonerate the above referenced letters of credit for Moorpark Carlsberg Holdings, LLC.
2. Authorize the City Clerk to fully exonerate the warranty bonds (Grading and Street/Storm Drain/Erosion Control) one year after approval of this item and upon written confirmation from the City Engineer that no warranty work is required.

ATTACHMENT

- 1 – Vicinity Map

ATTACHMENT 1



VICINITY MAP

No Scale

IPD 2000-01