

**TOWN OF
APPLE VALLEY, CALIFORNIA**

AGENDA MATTER

Subject Item:

REDUCTION OF MAINTENANCE SECURITIES FOR COMPLETED STREET IMPROVEMENTS ON TRACT MAP 16134

Applicant: Strata AV Homes

Location: Northwest corner of Mana Road and Aniwa Road

Summary Statement

When the Town Council accepted the final map for Tract Map 16134 on November 13, 2006, the construction agreements and securities for various improvements were required for improvements not constructed at that time. Since November 2006, the original developer, American Housing, constructed various improvements and various improvement bonds were released in 2007. The tract has since gone back to the bank that financed the project and is now owned by Strata AV Homes. As part of the transfer of ownership in October of 2010, Strata requested, 1) the release of the original street improvement securities, 2) an approval of the street improvements completed to Town Standards, and 3) approval of new agreements and securities for all remaining street improvements, and maintenance securities for those street improvements completed.

(Continued)

Recommended Action:

1. Approve new securities and agreements reflecting a two-year extension of the Agreement, and 25% maintenance level security for the work that is completed, and 100% security for the remaining un-finished improvements, (The adjusted securities and agreements will remain in place until all public improvements within Tract Map No. 16134 are complete and eligible for the one-year maintenance period to begin.) subject to approval as to form by the Town Attorney and as to content by the Town Manager.

Proposed by: Engineering Division

Item Number _____

T. M. Approval: _____ **Budgeted Item** Yes No N/A

Council Meeting Date: 01/10/12

At this time, it has been over one year since the completed improvements were deemed acceptable and approved for Maintenance level securities. Strata AV Homes is requesting that the Town consider an additional 50% reduction of Maintenance securities for the completed Tract Improvements. Staff has inspected and found no deficiencies or failures within the completed work areas, and recommends that the Town reduces the Maintenance security amount for the completed work by an additional 50%. This reduced security, (equal to 25% of the original Improvement bond), shall then serve as the minimal maintenance security for work that has been completed, accepted by Town inspectors, and has been under the normal 50% maintenance bond for more than one year.

The unfinished public improvements shall maintain at 100% security. The Town shall retain a 25% maintenance security for completed work areas until all remaining public improvements within the Tract are complete and eligible for the typical 50% maintenance level security reduction. Upon final completion of all Tract improvements, the Town will retain the usual 50% maintenance level securities for one year after the completion of all public improvements. All public improvements within the Tract, including those previously completed, must be re-inspected and deficiencies or failures corrected, prior to final bond release.

The following is a summary of the original bond securities, the present securities for remaining un-finished work, and the recommended bond amount to secure maintenance securities for completed work:

Original Bond amounts are:

Improvement	Performance	Amount remaining
Street Improvements	\$450,000	\$214,916.34
Sewer Improvements	\$69,800	\$0
Water Improvements	\$110,000	\$0
Storm Drain Improvements	\$272,563	\$0

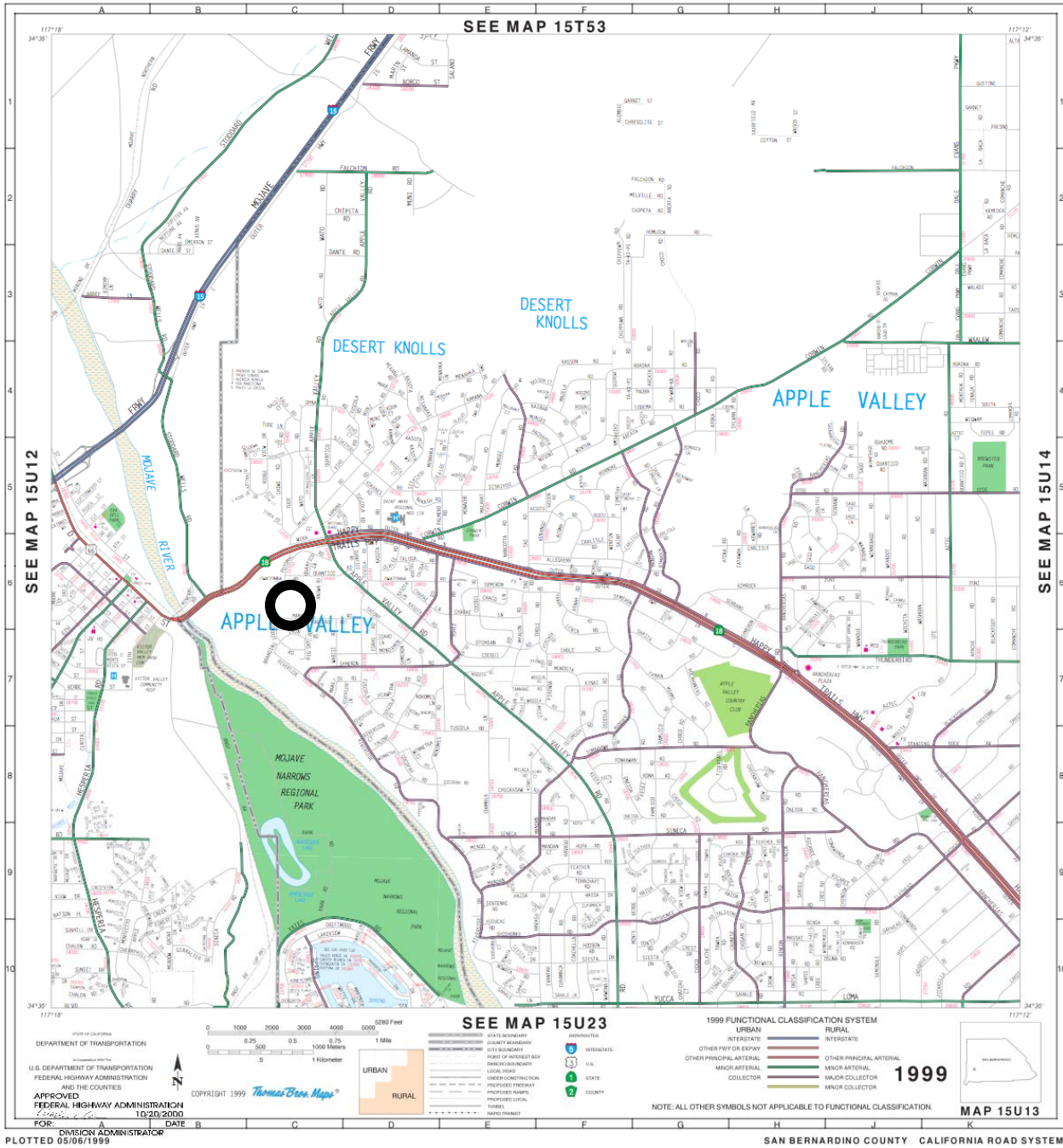
Present Securities amounts for work still to be constructed

	Performance	Labor and Materials
Street Improvements	\$214,916.34	\$107,458.17

Proposed Maintenance Security for completed improvements is:

	<u>Maintenance</u>
Street Improvements	\$81,315.83

Based upon the foregoing, staff recommends adoption of the form motion.



LOCATION MAP