



Staff Report

Agenda Item: MOUNTAIN GATE DEVELOPMENT BONDS - Consideration of directing staff and the Town Attorney to proceed to file claims against the bond companies for obligations due to the Town of Clarkdale under the Development Agreement between the Town and Empire Residential Construction for the Mountain Gate Subdivision.

Staff Contact: Gayle Mabery, Town Manager

Meeting Date: February 26, 2008

Background: As the Town Council is aware, the Town Staff and the Town Attorney have been working to identify the outstanding infrastructure issues and development agreement obligations that relate to the Mountain Gate subdivision since being notified in late January that Empire had “frozen” their projects. With no communication coming from Empire, and critical infrastructure and public safety issues that need to be addressed, the Town Attorney’s advice is for the Town Council to direct staff and the Town Attorney to complete the punch list as much as possible, and move forward with a claim against the bond companies associated with the Mountain Gate project.

Staff will provide an itemized list of items that need to be addressed in the subdivision, along with our recommendations as to the priority of those items, on Monday, February 25th. At this point in our evaluation, it appears that, although the bonds will not be in an amount sufficient to complete all remaining infrastructure in the project, we should be able to address the most critical needs with the money available in the bonds.

Part of our assessment of the outstanding infrastructure issues and development agreement obligations consists of prioritizing those obligations from most to least critical (with those identified as most critical being recommended for funding through the bonds). With Council’s direction, the staff would also like to ask for input from representatives of the Mountain Gate Community Association with regard to the items that we have not prioritized as “most critical” before we file any claims with the bond companies.

Recommendation: The Town Attorney recommends that the Council direct staff and the Town Attorney to finalize our prioritization of the infrastructure that needs completion in the Mountain Gate Subdivision, and move forward to make demands on the bond companies for obligations due to the Town of Clarkdale under the Development

Agreement between the Town and Empire Residential Construction for the Mountain Gate Subdivision.

Staff Contact Person: Town Manager Gayle Mabery