



Staff Report

Agenda Item: HIGHLANDS SUBDIVISION LETTER OF CREDIT - Discussion and possible action of making a demand on the letter of credit posted for the Highlands Subdivision, in order to complete improvements to Old Jerome Highway

Staff Contact: Steven Burroughs, Public Works Director

Meeting Date: March 11, 2008

Background: The Town was assured by the developers of The Highlands Subdivision that Old Jerome Highway would be paved beginning mid February. It was last October that the developer had first requested permission to close and reconstruct their portion of Old Jerome Highway, at which time they gave a four week schedule for completion. Old Jerome Highway remains unpaved to date.

To add to the surrounding residents growing frustration, ADOT has started their project on Highway 89A, which has caused a greater traffic flow on the unpaved road adding to an existing dust problem. The developer has not provided dust control on the road and, as a result, the Towns Public Works Department has been running a water truck twice daily to provide a little relief for the residents. The costs for dust control are being billed to the developer.

The developer has provided the Town with a new start date of March 10th to resume the improvements to Old Jerome Highway. If this occurs no further action from council will be needed. If the developer has failed to resume the improvements staff will ask approval from Council to proceed with the improvements. Funding the improvements of Old Jerome Highway would be required from the letter of assurance the Highlands Development posted as part of their Subdivision agreement.

A current bid for the improvements to Old Jerome Highway is on file with the Town from ACE Asphalt in the amount of \$ 127,500. ACE Asphalt is a pre-qualified contractor selected from the Mohave Educational Services Cooperative Contract list. The Mohave Service follows state procurement policies and the Town procurement policies allowing for direct selection of contractors without bid process.

Recommendation:

If the developer has started the improvements by March 10th no action is needed, if the developer has failed to resume the improvements staff seeks direction and approval by Council to proceed with the improvements.