

# CITY OF PALM DESERT STAFF REPORT

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MEETING DATE: August 24, 2023

PREPARED BY: Christina Canales, Land Development Technician

REQUEST: RELEASE GRADING BOND AND REDUCE THE FAITHFUL PERFORMANCE AND LABOR AND MATERIALS BONDS FOR TR 37993, MONTAGE

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## **RECOMMENDATION:**

1. Reduce the Faithful Performance and Labor and Materials Bonds for TR 37993.
2. Release the Grading Bond in the full amount of \$186,906.

## **BACKGROUND/ANALYSIS:**

On June 10, 2021, the City Council approved by Resolution No. 2021-34, a request by GHA Montage P.D., LLC (30875 Date Palm Drive, Suite C-2, Cathedral City, CA 92234) to construct 63 single family homes located at the intersection of Julie Drive and Shepherd Lane.

Bonds in the amount of \$1,444,082 for Faithful Performance and \$722,041 for Labor and Materials were submitted for public improvements, inclusive of street improvements, storm drain, a traffic signal modification, and striping, at the time of final tract map approval. A separate Grading bond was submitted in the amount of \$186,906.

The applicant has made a request to reduce the Faithful Performance (\$1,444,082) and Labor and Materials (\$722,041) bonds by ninety percent (90%). Staff has verified that the request is reasonable since the improvements are completed and the remaining portion of the improvements have been documented in a list provided to the developer. The reduced Faithful Performance bond amount will be \$144,408.20 and \$72,204.10 for the reduce Labor and Materials bond. The Grading bond will be released in its full amount of \$186,906.

Staff recommends that the City Council authorize the reduction of the Faithful Performance bond and Labor and Materials bonds for public improvements by 90% and release the Grading bond in its entirety.

## **FINANCIAL IMPACT:**

There is no financial impact for the City currently. The applicant will return to City Council to request the acceptance of all improvements and the release of the remaining bonds once final improvements are completed. When public improvements are fully accepted by City Council action the City will then have an obligation to maintain the public improvements.

## **ATTACHMENTS:**

1. Faithful Performance Bond
2. Labor and Materials Bonds
3. Grading Bond