



CITY OF CLEARLAKE

City Council

STAFF REPORT

SUBJECT: Cancellation of Construction Contract with Argonaut Constructors for the 18th Ave. Improvement Project

MEETING DATE: November 6, 2025

SUBMITTED BY:

PURPOSE OF REPORT: ☐ Information only ☐ Discussion ☒ Action Item

WHAT IS BEING ASKED OF THE CITY COUNCIL/BOARD:

The City Council is being asked to cancel the current contract with Argonaut Constructors for the 18th Ave. Improvement Project.

BACKGROUND/DISCUSSION:

In May of 2023, the City executed a contract with Argonaut Constructors for the 18th Ave. Improvement Project. There have been some delays due to litigation with the Koi Nation. Due to the appeal of the Koi with the State Appellate Court resulting in an order for the City to set aside project approvals, it is necessary to cancel the current contract with Argonaut Constructors at this time. Staff requests authorization for the cancellation of the contract.

OPTIONS:

1. Move to cancel the contract with Argonaut Constructors in the amount of \$4,632,295.00.
2. Other direction

FISCAL IMPACT:

☐ None ☐ \$ Budgeted Item? ☒ Yes ☐ No

Budget Adjustment Needed? ☐ Yes ☒ No If yes, amount of appropriation increase: \$

Affected fund(s): ☐ General Fund ☐ Measure P Fund ☐ Measure V Fund ☐ Other:

Comments:

STRATEGIC PLAN IMPACT:

- ☐ Goal #1: Make Clearlake a Visibly Cleaner City
- ☐ Goal #2: Make Clearlake a Statistically Safer City
- ☐ Goal #3: Improve the Quality of Life in Clearlake with Improved Public Facilities
- ☐ Goal #4: Improve the Image of Clearlake
- ☐ Goal #5: Ensure Fiscal Sustainability of City
- ☒ Goal #6: Update Policies and Procedures to Current Government Standards

☐ Goal #7: Support Economic Development

SUGGESTED MOTIONS:

1. Move to cancel the 18th Ave. Improvement construction contract with Argonaut Constructors in the amount of \$4,632,295.00.

☐ **Attachments:**