

08. COMMUNITY DEVELOPMENT

8.3. Sureties

BOS Approved May 2017

8.3.1. All new sureties – bonds, letters of credit, etc. – must provide a specific date for expiration, which shall be calculated as the amount of time the developer reasonably expects the development to take *plus one year*. In no event should the surety be for a period greater than five years.

Example 1: construction of Phase 2 is expected to take two years starting April 21, 2017. The letter of credit should be for three years and expire on April 21, 2020.

Example 2: construction of Phases 1 and 2 are projected to take 5 years. A letter of credit for five years should be issued and then, at the end of 4 years, a letter of credit renewed for the construction time remaining *plus one year*.

8.3.2. Planning/Zoning will check the status of development’s progress on a regular basis through its inspections, annual permits, etc.

8.3.3. 60 days prior to the original completion date (Ex. 1: February 21, 2019), Planning/Zoning should send the “60 day notice”, which states that:

A. The developer must show it can complete all work prior to the original completion date, OR

B. The developer must apply for an extension with the County, including obtaining/renewing all relevant permits and/or applications, *and* having the surety REISSUED, or a new surety issued, that covers the period of the extension plus one year, *and*

C. If the developer fails to respond within 30 days, then the County will take steps to draw on the surety.

8.3.4. If a developer fails to comply by day 61 (or the day after the original completion date), then Planning/Zoning will:

A. Notify the County Attorney and County Administrator so that the demand can be sent for payment of the surety (“Letter Credit Demand” and “Bond Demand” letters)

B. Send the “Draw on Surety Notice” to the developer.

8.3.5. Once payment is received, Planning/Zoning must track its costs/expenses in mitigating the default of the developer, in case the bond/surety company requests an inventory.