

“ATTACHMENT A”

15.18.030.C - Financial Security

1. The security for all improvement-security matters covered in this Chapter, except Warranty of Public Improvements (15.18.060), Temporary Certificates of Occupancy (15.18.080.B), and Delayed Improvements (15.18.110) , shall be one hundred and twenty five percent (125%) of the city engineer’s estimate for the required improvements being secured, **unless the option allowed in 15.18.030.C.2.b is used**. The city engineer’s estimate shall be submitted by the developer’s engineer on a form provided by the City Manager’s Office. The security shall be reviewed and approved by the City Manager’s Office prior to commencement of development activities.

2. The security shall be in a form of a letter of credit, bond, cash escrow, certificate of deposit, or certified or cashier’s check. The security shall explicitly be for the construction of the improvements, warranty and maintenance promises contained in the security and improvement deferral acknowledgement, including those pertaining to temporary improvements.

**a. If a cash escrow form of financial security is selected per the amounts required in 15.18.030.C.1, the developer may choose to allow for the cash value within the escrow to be drawn upon during the course of the construction subject to the requirements found in 15.18.070 and the associated Cash Escrow Drawdown Agreement.**

**b. In lieu of a full financial security as required by LMC 15.18.030.C.1 and at the applicants written request, the City may reduce the required financial security to 25% of the total cost of improvements and shall authorize the Final Plat to be recorded subject to the developer entering into a recorded Agreement with the City, referencing the Final Plat and recorded at the same time as the Final Plat, that prohibits the sale of lots within the subdivision. The sale of lots shall be prohibited until;**

**(i). The required public improvements are completed to the satisfaction of the City of Laramie per 15.18.050 and financial security for warranty of public improvements per 15.18.060 has been submitted and approved, or**

**(ii). At any time during the construction of required public improvements the developer may demonstrate the financial capability to secure the remaining improvements through the Security and Deferred Improvement Agreement in an acceptable form permitted in 15.18.030.C.1 & 2 and completes the required Security and Deferred Improvement Agreement for all remaining improvements.**

**At such time the developer satisfies the requirements of 15.18.030.C.2.b.(i) or (ii) the developer shall be released from the agreement so lots may be sold. In the event the improvements are not completed within the required timeframe found**

**in 15.18.030.B.2 for any reason the City may use the financial security and/or may place a lien on the property in the amount needed to complete any required infrastructure as approved by the Final Plat or address life, health or safety issues related to the Final Plat.**

LMC 15.18.070 Reduction of Security for Public Improvements

15.18.070.A Reductions

**Reductions related to the required financial security associated with a cash escrow per LMC 15.18.030.C.2.a shall be permitted based upon the following requirements.**

The amount of security posted by the developer may be reduced by the ratio of the costs of public improvements completed by the developer and inspected and approved by the city. In no event shall the security be reduced to less than 25 percent of its original amount unless and until a warranty security or other form is posted for the warranty period.

**1. The developer, prior to consideration by the planning commission shall notify the City through completion of the Security and Deferred Improvement Agreement that Cash Escrow Drawdown is their desired financial security method.**

**2. The City of Laramie and the lending institution who is responsible for the Cash Escrow Drawdown shall be parties to the escrow account and shall enter into a legal agreement formalizing the escrow drawdown between the parties. At the discretion of the City Engineer or the lending institution a 3<sup>rd</sup> party engineering consultant may be hired for construction management and administration as outlined in 15.18.070.A.3 & 4 to aid in the release of the escrow related to the construction of public improvements.**

**3. A 3<sup>rd</sup> party engineering consultant shall be hired for construction management and administration related to the construction of public improvements associated with a development and shall act for the City and the lending institution. The City with optional assistance of the lending institution shall select the consultant in accordance with the City's Purchasing Policy. The selected engineering consultant shall show that there is no conflict of interest with the development or parties associated with the development. The selected 3<sup>rd</sup> party engineering consultant shall be agreed upon by the City and the Developer before entering into a contract. The City shall administrate the 3<sup>rd</sup> party engineering consultant's contract. The City may act in a 3<sup>rd</sup> party construction management and administration role if the City Engineer determines there is adequate capacity to do so.**

**4. The cost of the approved 3<sup>rd</sup> party engineering consultant shall be the sole fiscal responsibility of the developer and shall be financially secured within the cash escrow as part of the overall cost of public improvements as shown in the required quantities and financial security. In the event the portion of the escrow used to pay the 3<sup>rd</sup> party engineering consultant is reduced to 10% of the retained amount as designated in the quantities, additional escrow shall be deposited prior to any further inspections by the 3<sup>rd</sup> party engineering consultant. The 3<sup>rd</sup> party engineering consultant shall represent and be managed solely by the City for construction management, administrations and professional services.**

**5. In no event shall the financial security be reduced to less than 25% of its original amount unless and until a warranty financial security or other form is posted for the warranty period.**

**6. For each development one (1) drawdown request per month shall be permitted. All drawdown requests shall be recommended for approval or denial by the 3<sup>rd</sup> party engineering consultant if one is being used for the project and the city shall approve or deny the request prior to the escrow being released.**

**7. Each drawdown request shall be provided in writing and shall include the original quantities breakout provided with the Security and Deferred Improvement Agreement and Cash Escrow Drawdown Agreement and shall specify the items being requested for payment. Authorization of payment by the city and lending institution shall be made following receipt of the drawdown request, if all inspections and work is recommended for approval or denial by the 3<sup>rd</sup> party engineering consultant, and approved or denied by the City. All requests shall follow the lending institutions banking procedures associated with the escrow account.**

**8. For each drawdown request made no more than the value of the request, minus the 10% retainage, as shown in the quantities provided with the Deferred Improvement Agreement and Cash Escrow Drawdown Agreement shall be returned. No request shall be authorized until all parties agree to the amount and completion of associated improvements. The 10% retainage shall remain in the escrow and be held on all drawdown requests. Upon final acceptance of the development as outline in 15.18.050 the retainage shall be released to the developer.**

**9. In the event the project is not completed per the agreement the City shall be permitted to draw upon the escrow and/or place a lien against the property or other collateral.**

#### 15.18.070.B Request

The request of reduction of the security shall be made in writing by the developer to the City Manager's Office. The request shall include an itemized list of public improvements that were completed by the developer and inspected and approved by the city for which the reduction of the security is being sought. (Ord. 1728 § 16, 2017 Ord. 1671 § 15, 2014).