



City of Laramie

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MEMORANDUM

Date: March 29, 2021
To: City Council
From: Eric Jaap, City Engineer
Malea Brown, COO
Brooks Webb, Public Works Director
Subject: Financial Security Research

At the March 2nd Council Meeting it was noted that both Casper and Cheyenne do not require any financial security. During the City of Laramie's research of other municipalities financial security, the following information was found in their codes and UDC.

In discussions with Casper, they require a security in some form on all subdivisions. The options for this are noted in Casper's municipal code 16.28.070 and is provide below. The following link will also take you to their code. [16.28.070](#)

16.28.070 - Financial security.

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A. Surety Required Prior to Construction of Improvements and During Warranty Period.

1. The owner/subdivider shall provide financial security as provided herein in order to assure that the required streets, drainage facilities, water distribution systems, sewerage collection systems and any other required public improvements as outlined in the subdivision agreement are constructed in compliance with the city's specifications. The financial security for the construction of any such improvements shall be in the amount of one hundred percent of the total cost of construction thereof. This financial security shall be secured and delivered to the city prior to issuance of a permit to construct by the city.

2. A project may be constructed without financial security as otherwise required herein provided that the owner/subdivider submits to the city a bonded agreement between the owner/subdivider and its contractor bonded by a Wyoming-licensed bonding company to complete the work covered by a permit to construct as outlined in the subdivision agreement. No permits will be issued for construction of buildings or foundations in the development until the improvements have been completed, a letter of completion has been issued, and the warranty period has begun pursuant to [Section 16.28.050](#) of this chapter.

3. In the event the owner/subdivider elects to construct a project without a bonded agreement between them as set forth in subsection (A)(2) of this section, the owner/subdivider shall provide a written affidavit to the city stating that no sales of real property within the subdivision will be closed until after a letter of completion is issued by the city and the warranty period has begun pursuant to [Section 16.28.050](#) of this chapter. No permits will be issued for construction of foundations of residences or buildings in the development by the city until a letter of completion is issued by the city and the warranty period has begun pursuant to [Section 16.28.050](#). If, prior to the issuance of a letter of completion and the commencement of the warranty period, should the owner/subdivider desire to sell lots and have building or foundation permits issued within the project, the owner/subdivider shall provide: (1) financial security in a form as required in subsection B of this section in an amount as calculated pursuant to subsection (C)(1) of this section that will cover the estimated cost of the remaining public improvements to be constructed for all or a phase of the subdivision as approved by

the city; or (2) a bonded agreement between the owner/subdivider and the contractor as set forth in subsection (A)(2) of this section shall be provided to the city.

4. The owner/subdivider shall provide financial security to the city of Casper during the warranty period for the above-described public improvements as provided in this chapter. The financial surety shall be available to the city for the repair, maintenance, and replacement of such improvements that fail within the warranty period. The financial security during the warranty period shall be in the amount of twenty percent of the total construction costs of such improvements. This financial security for the warranty period of eighteen months from the date stated in the letter of completion issued by the city shall be acquired and delivered to the city prior to issuance of any building permits in the subdivision by the city.

B. Forms of Financial Security.

1. Financial security may be provided in one of the following forms:

- a. An escrow agreement providing for the pledging of the owner/subdivider's line of credit or other assets in an amount and form approved by the city;
- b. Cash;
- c. Surety bonds on forms provided by the city of Casper;
- d. Unconditional letter of credit subject to the laws and courts of the state of Wyoming in a

form approved by the city.

C. Construction Cost of Improvements.

1. The owner/subdivider's engineering consultant shall provide actual construction costs to the city for the purposes of determining the amount of the financial security for the construction phase and warranty period of the improvements. Should actual construction costs not be available to acquire the necessary financial security in a timely manner, the owner/subdivider may rely on estimated construction costs as approved of by the city engineer. All cost estimates shall be supported by documents of the proposed improvements. Construction costs shall cover and include curb, gutter, street pavement, sidewalks, curbswalks, drainage facilities such as storm sewers, water and sewer lines, as outlined in the subdivision's drawings and specifications.

D. Release of Security. The financial security will be released when that portion of the work or period to which it relates has been completed. All requests for release or reduction of a financial security shall be provided in writing to the city engineer's office, 200 North David Street, Casper, Wyoming 82601. The city engineer's office will review the request for release and provide a written response back to the owner/developer within ten calendar days.

The City of Cheyenne states in their UDC 4.1.5b.7 that Assurance by bond, certified check, development agreement, or other written legal obligation approved by the City that all improvements will be constructed. In discussions with Cheyenne, they don't usually require a financial security but it is an option. They usually use one of the other methods noted. They do require a financial security on any delayed improvements. The wording for the UDC can be at the attached link. [Cheyenne UDC](#)