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## CH15 15 .12 - Bond Requirements

- A. The Commission may not approve a plat for a subdivision without a bond or irrevocable letter of credit to cover the proposed plat improvements and installation. The bond or letter of credit shall:
1. Be in an amount determined by the Commission to be sufficient to complete the improvements and installations in compliance with the chapter;
  2. Provide surety satisfactory to the Commission;
  3. Run to and be in favor of the town, or the county;
  4. Specify the time for the completion of the improvements and installations (both on and off site);
  5. Be in effect and shall not terminate until 30 days after the final construction is approved by the Commission, and the maintenance bonds have been accepted;
  6. Not be released until the Town Engineer has certified that he has inspected the improvements during construction, and after completion, and that they have been installed in accordance with the intent of the approved Construction Plans and Specifications; and
  7. Be on a form approved by the Council.
- B. There is hereby created a dedicated fund acceptable to the State Board of Accounts which shall hold and accumulate all funds paid pursuant to the provisions of this section and which shall not thereafter be appropriated for any use unless it is associated with the completion of infrastructure improvements which had not been completed after having been initiated for any reason whatsoever.
1. In the absolute discretion of the Director of Development in consultation with the Clerk-Treasurer and the town engineer for the Town, as needed, an entity or person obligated to provide a performance bond to the town may be allowed to pay a cash amount to the town in lieu thereof equivalent to the amount of premium which would be paid by said entity or person if it were to obtain a performance bond. Conditions governing the exercise of discretion by the Planning Commission shall include but not necessarily be limited to the following:
    - a. The general credit worthiness of the entity or person seeking such alternative form of payment;
    - b. The nature of the proposed improvement;
    - c. The reputation and history involving the person or entity seeking such alternative form of payment;

- d. Such other underwriting standards as may be appropriate under the circumstances.
2. It shall be the policy of the town as incorporated into this section that the Planning Commission shall document its reason for denying a request in writing when such a denial occurs, and that said Planning Commission need not be limited to the conditions set out herein.
3. All other requirements pertaining to the time of posting and the calculation of the amount shall remain the same as currently exists within the ordinances of the town. Specifically, the cash amount in lieu of bond shall be exactly equal to the amount of premium for such a bond as evidenced by a certified quote for such premium from a recognized commercial bonding company. It shall be the duty of the person seeking the benefit of this section to provide the evidence of the premium to the Planning Commission.
4. Nothing in this section shall in any way limit the ability of the town to give consideration to other alternative forms of insuring the proper completion of public improvement projects involving infrastructure which is to be dedicated to the town or for the benefit of the public.