

March 14, 2018

Subdivision Development Bond Requirements – New Procedures

Purpose

The City Code makes provisions for the bonding of incomplete subdivision improvements to facilitate the recordation of subdivision plats. This process has been used by developers and contractors to various degrees in the past. During a recent review of outstanding subdivision agreements and performance bonds, it has been discovered that many projects have remained incomplete for years. While the incomplete work was bonded, residents were living in neighborhoods where this work has not been finished. It appears that some developers and contractors have developed an expectation that the City will routinely agree to extend time limits on agreements and that agreement expiration dates are not being diligently pursued.

The results of our review concluded that the City must be more assertive in ensuring timely completion of subdivision developments. The new procedures described herein are intended to encourage the completion of development by requiring an acceptable justification for amending subdivision agreements to provide for an extended completion date.

The City recognizes that there will continue to be certain improvements for which there may be acceptable justifications for allowing longer periods of time for completion, i.e. final surface course and sidewalk. However, other facilities without adequate justification need to be completed prior to agreement expiration.

New Procedure

1. Every request for a performance bond or agreement amendment must be submitted in writing (email is acceptable). The request must indicate the anticipated completion date of all improvements and justification for any item for which the anticipated completion date extends past the current agreement expiration date.
2. In order to facilitate this new procedure, requests for bond and agreement amendments must be submitted sufficiently in advance of the current agreement expiration date to allow the City adequate time to consider the request and request additional information to support the justification, if needed in the City's sole discretion. In some cases, the City may require all or a portion of the outstanding improvements to be completed.
3. The City will assist in this procedure by attempting to notify the developer 90 days in advanced of the agreement expiration. The developer will then need to complete the improvements prior to the agreement expiration date or request an extension within 10 business days of the date on which the City gave notice or no later in than 75 days prior to the expiration date.
4. It is not the City's preference to collect bonds to complete improvements, but it may become necessary if a reasonable completion time is not achieved and/or the developer does not comply with these requirements.

Development and Permits recommends developers coordinate closely with construction administration in all agreement and bonding matters.

Should you have any questions or comments contact Somer D. Dimaya at 757-382-8298 or at sdimaya@cityofchesapeake.net.