

Chapter 17.96

IMPROVEMENT GUARANTEES

Sections:

17.96.010 Agreement for improvement.

17.96.020 Financial guarantee of performance.

17.96.010 Improvement Agreement.

Before a final plat or a final certificate of occupancy is approved by the city, the developer shall either:

(1) Install required improvements and repair existing streets and other public facilities damaged in the development of the property; or

(2) Execute and file with the City Administrator or designee an agreement between himself and the city, specifying:

(a) The period within which required improvements and repairs shall be completed; and

(b) Providing that if the work is not completed within the period specified, the city may complete the work and recover the full cost and expense, together with court costs and attorney fees necessary to collect the amounts from the developer.

(c) The agreement shall also provide for reimbursement to the city for the cost of inspection by the city, which shall not exceed ten percent (10%) of the cost of the improvements to be installed.

(3) Further, the city may require the developer to file a performance bond or other financial guarantee of performance to ensure that a development is constructed according to the approved design plan.

Statutory Reference: ORS Ch. 197 and 227

History: Ord. 1131 §2 (part), 1990; Ord. 1323 §1 (part), 2002.

17.96.020 Financial guarantee of performance.

(1) Type of Bond. When required by the city, the developer shall file with the improvement agreement completed pursuant to GMC Section 17.96.010 (improvement agreement),

one of the following:

(a) A surety bond executed by a surety company authorized to transact business in the state on a form approved by the City Attorney;

(b) A personal guarantee co-signed by at least one additional person together with evidence of financial responsibility and resources of those signing the bond sufficient to provide reasonable assurance of ability to proceed in accordance with the agreement on a form approved by the City Attorney;

(c) Cash, or irrevocable letter of credit;

(d) Approved improvement district.

(2) Amount. Such amount shall be for a sum approved by the City Administrator, or designee, as sufficient to cover the cost of the improvements and repairs, including related engineering and incidental expenses, and to cover the cost of city inspection.

(3) Utilization. In the event the developer fails to carry out provisions of the agreement and the city has unreimbursed cost or expenses resulting from such failures, the city shall call on the financial guarantee for reimbursement.

(a) If the amount of the guarantee exceeds the cost and expense incurred by the city, the city shall release the remainder.

(b) If the amount of the guarantee is less than the cost and expense incurred by the city, the developer shall be liable to the city for the difference.

Statutory Reference: ORS Ch. 197 and 227

History: Ord. 1131 §2 (part), 1990; Ord. 1323 §1 (part), 2002.