



## Fluvanna County

### **Surety Policy for Planning/Zoning Department**

May 2017 Revision

1. All new sureties – bonds, letters of credit, etc. – must provide a specific date for expiration, which shall be calculated as the amount of time the developer reasonably expects the development to take *plus one year*. In no event should the surety be for a period greater than five years.
  - a. Ex. 1: construction of Phase 2 is expected to take two years starting April 21, 2017. The letter of credit should be for three years and expire on April 21, 2020.
  - b. Ex. 2: construction of Phases 1 and 2 are projected to take 5 years. A letter of credit for five years should be issued and then, at the end of 4 years, a letter of credit renewed for the construction time remaining *plus one year*.
2. Planning/Zoning will check the status of development's progress on a regular basis through its inspections, annual permits, etc.
3. Approximately 60 days prior to the original completion date (Ex. 1: February 21, 2019), Planning/Zoning should send the "60 day notice", which states that:
  - a. The developer must show it can complete all work prior to the original completion date, OR
  - b. The developer must apply for and receive an extension from the County, including obtaining/renewing all relevant permits and/or applications, *and* having the surety REISSUED, or a new surety issued, that covers the period of the extension plus one year, *and*
  - c. If the developer fails to respond within 60 days, then the County will take steps to draw on the surety.
4. If a developer fails to comply by day 61 (or the day after the original completion date), then Planning/Zoning will:
  - a. Notify the County Attorney and County Administrator so that the demand can be sent for payment of the surety.
  - b. Send the notice to the developer that the surety is being drawn on.
5. Once payment is received, Planning/Zoning will track its costs/expenses in mitigating the default of the developer.