



Chapter 31 and 32 of the Phoenix City Code mandates that the customer provide an "assurance" of construction to the City of Phoenix. The assurance guarantees that improvements will be installed in accordance with approved plans and that the customer will provide record drawings. The secured amount is determined by the customer's civil engineer and approved by the Development Services Department, pursuant to the current Fee Schedule/Appendix A.2. of the Phoenix City Code.

Posting of construction assurances is a pre-condition to obtaining final construction plan approval and release of right-of-way construction permits. Posting of construction assurances is also a pre-condition for final approval of site plans, subdivision plats, abandonments, lot divisions, offsite improvements compliance, plat recording, and related development activities.

If a customer defaults, some forms of construction assurance may be used to complete the improvements, while other methods stop the project and/or deny occupancy.

ASSURANCE INSTRUMENTS

Cash

Cash/check shall be deposited with the Development Services Department in an amount equal to the cost of the work to be done in the right-of-way, pursuant to the current Fee Schedule/Appendix A.2. of the Phoenix City Code. Upon permit acceptance by the offsite inspector and submittal of required as-built plans, the cash bond will be refunded. Allow four to six weeks for the refund to be processed. Samples and more detailed requirements of the following Instruments are attached:

Chapter 31 Performance Bond

Bond shall be executed with a corporation accepted by the Development Services Department and duly authorized to transact surety business in the State of Arizona. Bond shall be in an amount equal to the cost of the work to be done in the right-of-way. Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the bond will be returned to the bond/insurance company. Allow two weeks for this process.

"Letter of Credit"

This "Letter" may be acquired from a bank and form approved by the Development Services Department. The letter shall specify an amount equal to the cost of the work to be done in the right-of-way. Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the letter will be returned to the issuing bank. Allow two weeks for this process.

"Occupancy Clearance Agreement"

At the discretion of the Development Services Department, the "Agreement" is an acceptable form of assurance on those projects involving building construction. The agreement form may be acquired through Development Services. An officer of the company or an authorized representative of the developer/owner must sign the form. This agreement withholds final utility clearance, thus withholding occupancy of the building(s). Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the "hold" can be released within one week. This agreement is attached to the parcel, and subsequent owners are subject to its provisions.

"Infrastructure Clearance Agreement"

At the discretion of the Development Services Department, the "Agreement" is an acceptable form of assurance on those projects involving infrastructure construction (water, sewer, streets and street appurtenances, and landscaping in the right-of-way). The agreement form may be acquired through Development Services. The form must be signed by an officer of the company or an authorized representative of the developer/owner and recorded with the Maricopa County Assessor's Office. The agreement withholds issuance of any building permits. Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the "hold" can be released within one week. This agreement is attached to the parcel and subsequent owners are subject to its provisions.

Additional questions regarding bonding requirements may be addressed to the Development Services Department, Financial Services Section, (602) 262-7852.

This publication can be made available in alternate formats (Braille, large print, computer diskette, or audiotape) upon request. Contact the Development Services Department at (602) 262-7811 voice or (602) 534-5500 TTY.



Surety Bond#: _____ KIVA Bond ID#: _____

KNOW ALL MEN BY THESE PRESENTS:

That we, _____ as Principal and
NAME OF PRINCIPAL
 _____ a corporation created, organized
NAME OF SURETY
 and existing under and by the virtue of the laws of the State of _____, and licensed to do
 business in the State of Arizona, as Surety, are held and firmly bound to the City of Phoenix, a municipal corporation in the
 sum of _____ dollars, \$ _____,
WRITTEN AMOUNT NUMERIC AMOUNT

lawful money of the United States of America, to the payment of which, well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assignees, jointly and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, that

WHEREAS, The Code of the City of Phoenix, Arizona states it shall be unlawful for any person to make, build, construct, remove, haul, cut, or grade pavement, driveway, sidewalk, curb, gutter, pipeline, or landscape in the public right-of-way of the City, without first having received a written permit from the Development Services Director, the plan for which has been approved by the Development Services Director.

FURTHERMORE, the Code requires said Principal to post bond to guarantee that the work will be completed in accordance with the Permit and City details and specifications.

THE CONDITIONS OF THIS BOND ARE SUCH, that when the above bounded Principal, his or her heirs, executors, administrators, successors or assignees have faithfully and truly complied with the provisions of work described below, to the satisfaction of the City of Phoenix, then this obligation will be released. Otherwise, it shall remain in full force and effect.

Description of Work: Project Name: _____ Number: _____

Address: _____

<u>Type of Work</u>	<u>Amount</u>	<u>Type of Work</u>	<u>Amount</u>
_____	\$ _____	_____	\$ _____
_____	\$ _____	_____	\$ _____

This bond includes and incorporates all provisions of Chapters 31, 32, and 32A of the Code of the City of Phoenix, Arizona.

Signed, Sealed, and Dated at _____ this _____ day of _____, 20____,

X _____
CORPORATE OFFICER, PARTNER, OWNER, OR AUTHORIZED AGENT COMPLETE MAILING ADDRESS AND PHONE NUMBER

X _____ *AFFIX THE CORPORATION SEAL HERE*
WITNESS, IF PRINCIPAL IS AN INDIVIDUAL OR
ATTEST, IF PRINCIPAL IS OTHER THAN INDIVIDUAL

Signed, Sealed, and Dated at _____ this _____ day of _____, 20____,

X _____
SURETY NAME COMPLETE MAILING ADDRESS AND PHONE NUMBER

X _____ *AFFIX THE CORPORATION SEAL HERE*
ATTORNEY-IN-FACT
(Attach Power of Attorney)

Work completed and approved on all permits on _____ Bond released on _____ by _____

For more information or for a copy of this publication in an alternate format, contact Planning & Development at 602-262-7811 voice or TTY use 7-1-1.



City of Phoenix
PLANNING & DEVELOPMENT DEPARTMENT

LETTER OF CREDIT REQUIREMENTS
(AS CONSTRUCTION ASSURANCE ON RIGHT-OF-WAY IMPROVEMENTS)

A Letter of Credit is financial instrument issued by a bank at the request of their customer. The city of Phoenix accepts Letters of Credit only from banks rated "A" or better by Moody's or Standard & Poor. Banks customarily maintain a standard format for Letters of Credit; the bank and format will need to be submitted to Planning & Development prior to permit issue. Approvals from several departments are required before final acceptance of the letter; this process may take up to 15 days.

The following elements are required:

- Beneficiary:** City of Phoenix
Planning & Development Department
Financial Services
200 W. Washington, 3rd Floor
Phoenix, AZ 85003
- Amount:** Dollar amount equal to the cost of work to be done in the right-of-way
- Principal:** Name of Company/Developer/Owner for whom letter is guarantee
- Bank Name/Address** Bank/Institution (name and address) upon which payment would be drawn
- Improvements:** Text identifying location/address and required improvements
- Expiration Deadlines:** Minimum two-year expiration, with notice of 45 days
- Presentation of Draft:** Draw on local branch or presentable at a correspondent bank in Phoenix
- Partial Draft Clause:** Text must indicate that partial draft draws are permissible

Questions or additional information regarding Letters of Credit may be directed to the **Financial Services Section, Planning & Development Department, (602) 495-0166.**