



## **Letter of Credit Requirements** **(As Construction Assurance** **on Right-Of-Way Improvements)**

A Letter of Credit is a 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 (exceptions must be approved by the Finance Department). Approvals from several departments are required before final acceptance of the Letter; this process may take up to 15 business days. Banks customarily maintain a standard format for Letters of Credit; the customer's bank and requested format must be submitted to Planning & Development prior to permit issue. The following elements are required in the Letter of Credit:

<b>Beneficiary:</b>	City of Phoenix Planning & Development Department Financial Services Section 200 W. Washington, 3rd Floor Phoenix, AZ 85003
<b>Amount:</b>	Dollar amount equal to the cost of work to be done in the right-of-way
<b>Principal:</b>	Name of Company/Developer/Owner for whom letter is guarantee
<b>Bank Name/Address</b>	Bank/Institution (name and address) upon which payment would be drawn
<b>Improvements:</b>	Text identifying location/address and required improvements
<b>Expiration Deadlines:</b>	One-year expiration, no auto-renewal
<b>Presentation of Draft:</b>	Draw on local branch or presentable at a correspondent bank in Phoenix
<b>Partial Draft Clause:</b>	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**, [pdd.financial.services@phoenix.gov](mailto:pdd.financial.services@phoenix.gov) or **(602) 495-0243**

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.