

SECTION 28

FINANCIAL GUARANTEES (Bonds)

28.1 Financial Guarantees for Site Improvements.

To assure that the portion of a proposed development which shall be conveyed to or controlled by the Town of Haddam, as shown on an approved site plan, a financial guarantee may be required by the Planning and Zoning Commission. When a financial guarantee is required, except for financial guarantees posted for erosion and sedimentation, which shall be posted prior to the issuance of any zoning permits, it shall be posted prior to an applicant's seeking a certificate of zoning compliance or occupancy. Any Financial Guarantees may also subject to the requirements in Section 50 of the *Town of Haddam Regulations for Public Improvement*.

28.2 A financial guarantee shall be posted in the Land Use Department in accordance with one of the following methods and in a form that is acceptable to the Town Attorney:

- A. Cash in the form of a certified check or a passbook by assignment forms prescribed by the Commission's counsel.
- B. Letter of Credit. A Letter of Credit in favor of the Town in the form prescribed by the Commission's counsel with arrangements for a sixty (60) day advance notice to the Town of Haddam of the expiration or non-renewal of the letter of credit.
- C. Any other form of surety that the Commission deems acceptable.

28.3 The amount of the financial guarantee shall be established by the Commission. Applicants shall furnish the Commission with a listing of the established amount of materials needed to complete the improvements. The financial guarantee shall cover the full cost of the improvements as if let-to-bid by the Town without advantage of on-site building materials or the sale of removed earth material, plus a contingency of an additional ten (10%) percent.

28.4 For all improvements which are to be conveyed to or controlled by the Town of Haddam, the amount of the financial guarantee shall be sufficient to cover the cost of any proposed or required site improvement, such as street grading; roadway paving and street planting; the installation of curbs, gutters, storm drainage facilities, landscaping, sidewalks, monuments, bridges, and

culverts; erosion and sedimentation control measures; site stabilization measures; and all other such improvements that the Commission deems necessary to promote public health and safety and to safeguard the Town from undue expense in regard to the future maintenance of such improvements for a period of one year following their acceptance. All improvements shall be designed in accordance with established standards, rules and regulations applicable in the Town of Haddam. The Commission may require that a separate cash financial guarantee be posted for all erosion and sediment control and site stabilization measures.

28.5 Upon completion of the required improvements, the applicant shall submit to the Commission:

- A. As-built plans of the improvements (supplied by a licensed engineer);
- B.. Certification of accurate monument location (supplied by a land surveyor);
- C. Easements or deeds, as appropriate in a form satisfactory to the Commission's counsel, including a written geometric description of all such easements or deeds and a certificate of title for the same; and
- D. Proof of fulfillment of any other requirements or conditions.

28.6 The Commission shall authorize the release of the financial guarantee, or a portion thereof, within sixty-five days of the receiving a request for the same, or shall provide such person posting the financial guarantee with a written explanation as to the additional site improvements that must be completed before such financial guarantee or portion thereof may be released.

If the improvements are not installed as required, the Commission is under no obligation to accept the work. The Commission may recommend to the Board of Selectmen that the financial guarantee be declared defaulted and that the Board of Selectmen take the necessary action to call the financial guarantee.

28.7. Maintenance Guarantees:

To assure proper maintenance of all site improvements and structures, a maintenance guarantee in the amount of 10% of the estimated cost of the site improvements shall be submitted to the Town and approved by the Planning and Zoning Commission. A financial guarantee shall be posted in the Land Use Office in accordance with one of the following methods and in a form that is acceptable to the Town Attorney:

- A. Cash in the form of a certified check or a passbook by assignment forms prescribed by the Commission's counsel.

- B. Letter of Credit. A Letter of Credit in favor of the Town in the form prescribed by the Commission's counsel with arrangements for a sixty (60) day advance notice to the Town of Haddam of the expiration or non-renewal of the letter of credit.
- C. Any other form of surety that the Commission deems acceptable.

The maintenance guarantee shall be in effect for a maximum period of one year from the date the improvements are accepted by the Town. The bond shall be posted prior to the issuance of any Certificates of Zoning Compliance. The applicant shall maintain all site improvements and structures within the time frame of the financial guarantee.

If the applicant fails to remedy any such defects within a reasonable time, the Town may, without prejudice to any other remedy, cause the required repairs to be made and paid for with the proceeds of the maintenance guarantee.