

CHAPTER 15: SUBDIVISION CONTROL

Section 1515: Required Improvements

1515.01. REQUIRED IMPROVEMENTS/FINANCIAL AGREEMENTS.

Improvements Required. The subdivider shall arrange for installation of all the following required improvements in the development subject to the development contract and the requirements defined in the City Public Works Design Manual, if such manual exists or is amended or is adopted in the future. The City reserves the right to elect to install all or any part of the basic improvements required under this section pursuant to Minnesota Statutes, Chapter 429, as may be amended.

- A. All of the following required basic improvements to be installed under the provisions of this section shall be designed and constructed in accordance with the design standards of Section 1510 (Platting Procedures), this chapter, and the City of Rice Public Works Design Manual, if such manual exists or is amended or is adopted in the future and approved by the City Engineer. All of the City's expenses incurred as the result of the required improvements shall be paid to the City by the subdivider.
 1. Streets
 2. Sanitary sewer
 3. Water main
 4. Surface water facilities (pipes, ponds, rain gardens, etc.)
 5. Grading and erosion control
 6. Sidewalks and trails
 7. Street lighting
 8. Street signs and traffic control signs
 9. Landscaping required by the Zoning Ordinance
 10. Wetland mitigation and buffers
 11. Monuments required by Minnesota Statutes
 12. Miscellaneous facilities
 13. The subdivider shall arrange for the installation of telephone, CATV, electrical and natural gas service following the grading of boulevard or utility easements

B. Completion of Basic Improvements

1. Reproducible and electronic files showing record plans of all public improvements as required by the City Engineer shall be furnished to the City by the subdivider. Such record plans shall be in Mylar format and, unless previously exempted from the electronic format requirements, an electronic dwg. format approved by the City Engineer and shall be certified to be true and accurate by the registered engineer responsible for the installation of the improvements said plans shall be submitted to the City within 30 days of the City's substantial approval of the project.

C. Payment for Installation of Improvements and Financial Guarantees

1. The required improvements listed in this chapter are to be furnished and installed at the sole expense of the subdivider. However, if the cost of an improvement would by general policy be assessed only in part against the improved property and the remaining cost paid out of general tax levy, provision may be made for the payment of part of the cost by the community.
2. Subsequent to execution of the development contract but prior to the release of a signed final plat Mylar for recording, the subdivider shall provide the City with a automatically renewing financial guarantee in the form of a performance bond, letter of credit from a bank, cash escrow, or a combination of a performance bond, letter of credit, and cash deposit with the City. The guarantee shall be in an amount equal to 125 percent of the estimated cost of completion of the specified basic improvements. The security shall be acceptable to the City. The financial guarantee required as part of the subdivision agreement shall be one of the following:
 - a. Escrow deposit. The community shall be entitled to reimburse itself out of such deposit for any cost or expense incurred by the community for completion of the work in case of default of the subdivider under such contract, and for any damages sustained on account of any breach thereof. The escrow agent shall have a legal duty to deliver the funds to the City whenever the City Administrator or the Administrator's designee presents an affidavit to the agent attesting to the City's right to receive funds whether or not the subdivider protests that right.
 - b. Performance bond. The subdivider may furnish a performance and payment bond with corporate surety, in a penal sum equal to one hundred twenty-five percent (125%) of the total cost, as estimated by the engineer, of all the improvements to be furnished and installed by the subdivider pursuant to the subdivision agreement. The total costs shall include costs for inspection by the community engineer. The bond shall be approved as to form by the attorney and filed with the clerk.
 - c. Letter of credit. The subdivider may deposit with the community, from a bank subject to the approval of the governing body, an irrevocable letter of credit, which shall certify the following:

- i. The term is sufficient to cover the completion, maintenance and warranty periods identified in this Section.
- ii. That in the case of failure on the part of the subdivider to complete the specified improvements within the required time period, the creditor shall pay to the community immediately, and without further action, such funds as are necessary to finance the completion of those improvements, up to the limit of credit stated in the letter, or at the city's discretion the creditor may renew the letter of credit.
- iii. That this letter of credit may not be withdrawn, or reduced in amount, until released by the governing body, and require only that the City present the credit with a sight draft and an affidavit signed by the City Administrator or the Administrator's designee attesting to the City's right to draw funds under the letter of credit.

D. Release and Expiration of Financial Guarantees

1. The financial guarantee shall be held by the City until, upon written notice by the subdivider and certification from a professional engineer that all of the required improvements have been completed and upon verification of such by the City staff, a portion or the entire financial guarantee is released by the City Engineer. No financial guarantee shall be released in full until the City has received 1) certified, reproducible record plans of all required improvements installed by the subdivider and 2) a title insurance policy approved by the City Attorney indicating that the improvements are free and clear of any and all liens and encumbrances.
 - a. It shall be the responsibility of the subdivider to insure that a submitted financial guarantee shall continue in full force and effect until the City Engineer has approved and accepted all of the required improvements, and thereby is authorized to release the guarantee or reduce the amount of the guarantee as provided above.
 - b. Letters of credit having expiration dates shall provide that they are automatically extended without change for 12 months from the expiration date unless 60 days prior to the expiration date; the financial institution notifies the City in writing by certified mail that it does not elect to renew the financial guarantee for an additional period. If the instrument is not to be renewed and has not been released by the City Engineer, another acceptable financial guarantee in the appropriate amount shall be submitted at least 60 days prior to the expiration. The term of any extension shall be approved by the City Engineer and subject to the requirements of this section. Upon receipt of an acceptable substitute financial guarantee the City Engineer may release the original guarantee.

E. Performance Guarantee

1. The subdivider shall submit either 1) a performance bond or 2) a letter of credit for 125% percent of the amount of the original cost of the improvements for warranties.

2. The required warranty period for materials and workmanship from the utility contractor installing public sewer and water mains shall be 2 years from the date of final written City acceptance of the work.
3. The required warranty period for all work relating to street construction, including concrete curb and gutter, sidewalks and trails, materials and equipment shall be subject to one year from the date of final written acceptance, unless the wearing course is placed during the same construction season as the bituminous base course. In those instances, the subdivider shall guarantee all work, including street construction, concrete curb and gutter, sidewalks and trails, material and equipment for a period of 2 years from the date of final written City acceptance of the work. The required warranty period for sod, trees and landscaping is one growing season following installation.