

**§ 9-310 REDUCTIONS IN FINANCIAL GUARANTEES – DEVELOPMENT BONDS, CASH DEPOSITS AND LETTERS OF CREDIT**

- (a) The Developer may request a reduction in the amount of ~~the financial guarantee for a CFA~~ development bond, cash deposit, or letter of credit that is provided as the financial guarantee for a CFA if the initial term of the CFA is more than four (4) months.
- (b) No more than two (2) reductions of ~~the a development bond, cash deposit or letter of credit financial guarantee~~ may be made for any CFA. The Director of the Development Services Department may authorize more than two (2) reductions of a development bond, cash deposit or letter of credit and establish the requirements that must be met for the additional reductions.
- (c) The first reduction in a ~~financial guaranteed~~ development bond, cash deposit, or letter of credit may only be made after:
  - (1) One-third of the value of Community Facilities being constructed pursuant to the CFA have been verified by the City's inspectors to have been constructed in accordance with the engineering plans; and
  - (2) The City has received an affidavit and release of lien executed by the contractor indicating that the contractor has been paid by the Developer and the contractor has paid all subcontractors and material suppliers for one-third of the value of the Community Facilities being constructed pursuant to the CFA.
- (d) After the City has confirmed that one-third of the Community Facilities have been constructed in accordance with the engineering plans and the City has received an affidavit and release of lien from the contractor in the amount of one-third of the value of the Community Facilities being constructed pursuant to the CFA, then the ~~financial guarantee development bond, cash deposit, or letter of credit~~ may be reduced in an amount that does not exceed one-third of the original amount of the ~~financial guarantee development bond, cash deposit, or letter of credit~~.
- (e) The second reduction in a ~~financial guarantee~~ development bond, cash deposit, or letter of credit may only be made after:
  - (1) Two-thirds of the value of Community Facilities being constructed pursuant to the CFA have been verified by the City's inspectors to have been constructed in accordance with the engineering plans; and
  - (2) The City has received an affidavit and release of lien executed by the contractor indicating that the contractor has been paid by the Developer and the contractor has paid all subcontractors and material suppliers for two-thirds of the value of the Community Facilities being constructed pursuant to the CFA.
- (f) After the City has confirmed that two-thirds of the Community Facilities have been

constructed in accordance with the engineering plans and the City has received an affidavit and release of lien from the contractor in the amount of two-thirds of the value of the Community Facilities being constructed pursuant to the CFA, then the ~~financial guaranteed development bond, cash deposit, or letter of credit~~ may be reduced in an amount that does not exceed two-thirds of the original amount of the ~~financial guarantee development bond, cash deposit, or letter of credit~~ if more than thirty calendar days have passed since the first reduction in the financial guarantee.

~~(g) The Developer must pay the CFA amendment fee set forth in section 2-321 of the City Code to the City before a reduction in a financial guarantee will be authorized by the City.~~

#### **§ 9-310.1 REDUCTIONS IN FINANCIAL GUARANTEES – ESCROW AGREEMENTS**

~~(a) Every thirty (30) days, the Developer may request a reduction in the amount of an escrow agreement that has been provided as the financial guarantee for a CFA.~~

~~(b) The reduction in an escrow agreement may only be made after:~~

~~(1) The City's inspectors have verified the amount of the Community Facilities that have been constructed in accordance with the engineering plans; and~~

~~(2) The City has received an affidavit and release of lien executed by the contractor indicating that the contractor has been paid by the Developer and the contractor has paid all subcontractors and material suppliers for the Community Facilities that have been constructed pursuant to the CFA.~~

~~(c) After the City has confirmed the amount of the Community Facilities that have been constructed in accordance with the engineering plans and the City has received an affidavit and release of lien from the contractor for the Community Facilities that have been constructed, then the escrow agreement may be reduced to an amount equal to one hundred twenty-five percent (125%) of the value of the Community Facilities that are remaining to be constructed that are guaranteed by the escrow agreement.~~