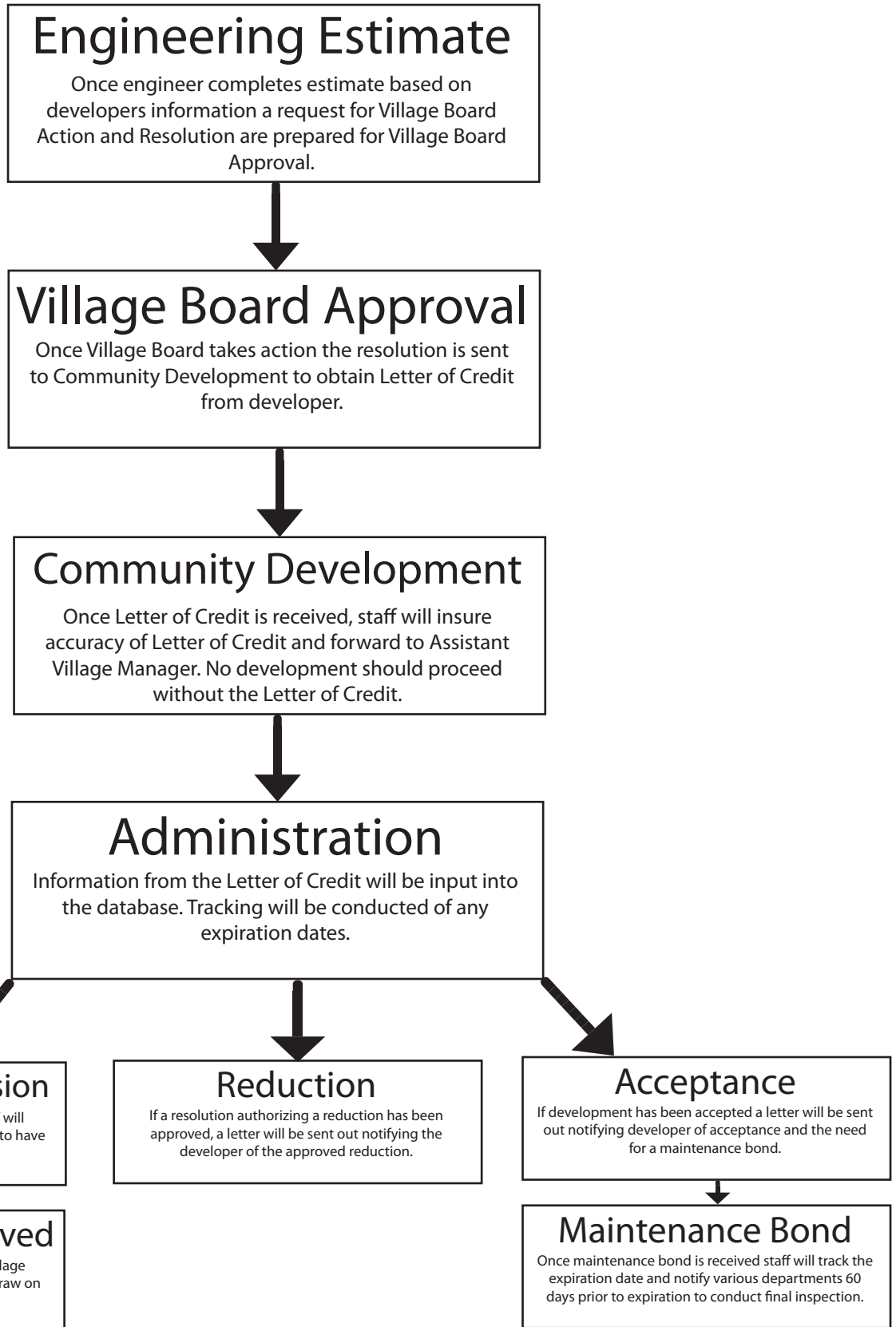


# Process of Letter of Credit



## **LOC Establishment**

1. As part of the Final Plat and Final Site, Landscape, and Engineering (FLSE) submittals to the Community Development Department, the respective developer is required to submit two estimates of probable cost. The first estimate, which will be used to establish the Letter of Credit, must include all public improvements that will be done in conjunction with the project. The second, which will be used to establish the engineering fees as opposed to the Letter of Credit amount, must include all civil engineering improvements.
2. The Village Engineer reviews the estimate and quantities, in conjunction with the FSLE, and will provide a written statement to the Department of Community Services and Development that indicates the recommended LOC amount for the proposed subdivision. In accordance with Village Ordinances, the letter of credit be 125% of the cost estimate for public improvements. This is part of the FSLE approval process
  - A. The Village Engineer will request information from the Director of Parks and Recreation, pertaining to estimated costs for public park improvements.
  - B. It shall include soil and erosion control measures as well as all work related to stream and wetlands. In addition, to the amount needed to complete any stormwater facilities/erosion control to be compliant with the Will County Stormwater Ordinance
  - C. All civil engineering improvements should be included (such as lighting and landscaping).
3. The Department of Community Services and Development (DCSD) will submit a correspondence to the developer that includes comments from all Village Departments. Included in the comments is the Village's determination of the required LOC amount for the proposed subdivision.
4. The proposed development should not be scheduled for a Village Board meeting or Planning and Zoning Meeting until the FLSE has been signed off by DRC staff.

## **Village Board Approval**

1. The Village Engineer or Publics Works Superintendent will prepare the Resolution to present to the Village Board. The Resolution should include the approved LOC amount.
2. Assuming the Resolution passes, the DCSD will notify the developer of the Board approval and request them to submit the LOC.
3. After the LOC is received by the developer the DCSD shall confirm the accuracy of the LOC with the engineer and attorney. In the event that the letter of credit language does not exactly match the language included in the Code, the new language shall be forwarded to the Village attorney for review prior to moving forward.
4. Once the LOC is received and confirmed for accuracy the DCSD will forward the LOC to the Assistant Village Manager who will then input the information from the LOC in the main database and keep the original on file.

### **LOC Reductions**

1. The developer should submit a formal request to the Public Works Superintendent of Operations for a LOC reduction. The request should include the following items, pursuant to Chapter 158.005 (C)(5) of the Village Ordinance:
  - A. The request should originate from a professionally licensed engineer certifying that all completed improvements substantially comply with the approved FSLE.
  - B. Include the original LOC amount and the requested reduction amount.
  - C. A copy of the cost estimate that determined the original LOC with those items being requested clearly shown.
2. The Public Works Superintendent of Operations will review the reduction request by submitting the request to the appropriate field inspectors.
3. The Public Works Superintendent of Operations will prepare a Resolution to present to the Village Board to reduce the LOC. The Resolution will contain the original LOC amount and original Resolution Number and the new reduction amount.
4. The Village Board will vote on the reduction. Assuming approval, the Assistant Village Manger will inform the developer of the new LOC amount and update the database with the reduction information.

5. The original LOC will remain effective until the developer provides the new LOC to the Assistant Village Manger.

### **Final Acceptance of Public Improvements and Maintenance Bond Establishment**

1. The developer should submit a formal request to the Public Works Superintendent of Operations to accept the public improvements and to establish a maintenance bond. The request should include the following items, pursuant to Chapter 158.005 (C)(5) of the Village Ordinance:
  - A. The request should originate from a professionally licensed engineer certifying that all completed improvements substantially comply with the approved FSLE.
  - B. Include the original LOC amount and the request the maintenance bond be established at 10% of the original LOC.
  - C. A copy of the cost estimate that determined the original LOC
  - D. 4 sets of full size as-built drawings for the improvements.
  - E. Digital copies of the as-built drawings.
2. The Public Works Superintendent of Operations will review the request by completing a checklist including the following:
  - A. Contact the Finance Director to determine if all required fees have been paid. The Finance Director should send out a correspondence to the Developer requesting that all outstanding fees be paid to the Village within 30 days of the notice.
  - B. The Finance Director will copy the Public Works Superintendent of Operations the correspondence to the developer.
  - C. The Public Works Superintendent of Operations will hold the request for acceptance until the Finance Director indicates all fees have been paid in association with the subdivision.
  - D. The Public Works Superintendent of Operations will have the appropriate personnel inspect the completed improvements. The following personnel should be involved based on the scope of the project.
    1. Public Works (public infrastructure improvements)
    2. Community Development (site layout and landscaping)
    3. Parks and Recreation (parks and open space)

3. Once the public improvements have been determined to be completed and all fees have been paid, the Public Works Superintendent of Operations will prepare the necessary legislation for Village Board Approval. The Resolution will include the original LOC amount and establishing Resolution number and the request by the developer.
4. Once approved, the Assistant Village Manager will forward the amount to the developer and the developer will provide the maintenance bond in return and update the main database.

### **Maintenance Bond Inspection**

1. The Assistant to the Village Manger will request the Director of Public Works to inspect the accepted improvements within 30 days of the request. The request shall originate at the 9 month period of maintenance bond.
2. Representatives from the Department Public Works, Department of Community Development and Parks and Recreation Department will inspect the improvements and prepare a punch list of all items to be corrected by the developer. The punch list will be submitted to the Assistant Village Manager.
3. The Assistant Village Manager will submit a written correspondence to the developer that requires the developer to correct all items on the punch list within 30 days of the notice.
4. The developer shall complete the corrections and contact the Village to inspect the corrections.
5. The Department of Public Works, Department of Community Development and Parks and Recreation will inspect the improvements and inform the Assistant Village Manager of the status of the corrective work. Should the corrective work be satisfactory, the Assistant Village Manager shall release said maintenance bond and update the main database. Should remaining work exist, the Assistant Village Manager will inform the Village Attorney of the deficiencies.
6. If deficiencies exist, the Village Attorney will proceed with drawing the necessary amounts on the maintenance bond, pursuant to Chapter 158.005 of the Village Ordinances.