

DSC INFORMATION NOTICE #20-A
REVISED NOVEMBER 18, 1993

(Originally issued May 14, 1993)

TOPIC: *REVISED Standard Format for Letters of Credit*

ITEM #1: *The standard format for letters of credit has been revised to delete the optional paragraph containing the automatic renewal clause. We have found that this paragraph creates some confusion and is of little benefit. The revised format is shown on the reverse of this notice. The purpose of implementing a standard format for letters of credit and minimum time frames for issuance is to streamline administrative procedures related to surety processing. This process improvement will result in less correspondence between the City and the issuing institution, fewer renewal requests and consistent wording on payment demands.*

ITEM #2: *Effective immediately, all letters of credit submitted for surety purposes must be written in the standard format (**Revised November 18, 1993**). All letters of credit must be printed on the letterhead of the issuing institution.*

ITEM #3: *Effective immediately, all letters of credit should be posted for the minimum time period associated with the specific project as listed below (unless otherwise stated):*

- 1) Subdivision (**including BMP**) (Performance) - Two years
- 2) Subdivision (Defect) - Two years
- 3) E&S/~~BMP~~ Subdivision (Performance)- Two years
- 4) Site Plan (Right of Way Performance) - One year
- 5) Site Plan (Defect for Turn lanes and Road extensions) - Two years
- 6) Site Plan (Defect for Other Improvements) - One year
- 7) E&S/BMP Site Plan (Performance) - One year
- 8) Wetland Permit/Waterfront Construction (Performance) - Three years
- 9) Traffic Signals (Cost Participation) - Five years
- 10) Other - One year

ITEM #4: *The surety staff is committed to work with the development and banking community during the next few months to ensure that the standard format is used properly and that this improvement to the process does not delay the release of plans or recordation of final plats.*

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