

## Land Development Bonds FAQs

**1. What is a bond?**

Land Development bonds and sureties are an upfront payment by the developer, builder or owner. The bond guarantees that the required public improvements to the site will be made at the developer's expense within the required time frame. It also guarantees projects will be completed based on applicable ordinances of the Town of Huntersville, as well as the Land Development guidelines, compliance code and ordinances.

**2. When is a bond required?**

A bond is required for subdivision plat recordation, before a commercial certificate of occupancy is needed, to release a Land Development hold on a project, and/or to allow real estate transactions to take place before site improvements are completed and in place.

**3. When is a construction bond required?**

A construction bond is required when an incomplete project is being developed and requires public improvements, recordation, certificate of occupancy and/or compliance with requirements of the Town Land Development.

**4. When is a maintenance bond required?**

A maintenance bond is required in instances of roadway maintenance for public roads and any kind of BMPs that have approved as-builts.

**5. What types of public improvements are bonded?**

Bonds are required for sidewalks, curb, gutter, access easements, storm drains, subdivision streets, commercial streets, street signage, streetlights, trees, detention basins, detention ponds, planting, erosion control measures, plantings, barricades, concrete monuments and structures, street trees, all infrastructure public improvements and all other items specified by the Town.

**6. What types of bonds are accepted?**

Approved bond types include Letter of Credit (bank issued), Surety Bond (insurance entity) and Cash Method (money order or certified check payment.)

**7. Who places a bond?**

The bond can be placed by the project developer, landowner, or builder.

**8. How long is a bond effective and when is it released?**

A bond must remain in full force and renew yearly, as required, until the project is inspected, completed, and approved by the Land Development Town authority. A bond is released when the Town Land Development inspects the completed project and approves the bond release.

**9. What if the project does not require a plat but does require a bond?**

Examples of projects that require a bond but not a plat include zoning, BMPs without as-builts, and maintenance bonds. When a bond is required but not a plat, follow the bond process for a construction bond.

**10. How do I know the dollar value of the bond to be secured?**

The project Engineer estimates the bond value using the Town's Bond Estimate Form.

**11. What is the appropriate verbiage for the bank to use for Letters of Credit?**

Provide the financial institution that will generate the Letter of Credit with the Town's *Approved Bank Wording for Use in Letters of Credit* document.

**Note:** The verbiage listed on the *Approved Bank Wording for Use in Letters of Credit* document must be included on all Letters of Credit submitted to the Town. **Submission of any other verbiage will be reviewed by Town's attorney at an additional cost to the applicant.**

**12. Where do I get the Guarantee of Installation form?**

The Bond Administrator provides the Guarantee of Installation form once the dollar amount of the bond has been approved by the Town.