

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE AMENDING SECTION 15.04-050 (LETTERS OF CREDIT AND  
OTHER SURETY REQUIREMENTS) OF THE CITY OF CREST HILL CODE OF  
ORDINANCES**

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**WHEREAS**, the City Council of the City of Crest Hill has the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs and protect the public health, safety, and welfare of its citizens; and

**WHEREAS**, the City Council of the City of Crest Hill has previously enacted a comprehensive set of Ordinances governing the Construction of Buildings in the City of Crest Hill in Title 15 (Buildings and Construction), Chapter 15.04 (Building Requirements), which includes Section 15.04-050 regarding letters of credit and other surety requirements for the protection of the City and its residents with respect to the construction of buildings and structures within the City; and

**WHEREAS**, the City Council of the City of Crest Hill has deemed it necessary from time to time to amend its Code of Ordinances; and

**WHEREAS**, the City Council of the City of Crest Hill has determined that it is in the best interests of the City and its residents to amend Section 15.04-050 (Letters of Credit and Other Surety Requirements), of Chapter 15.04 (Building Requirements) of Title 15 (Buildings and Construction), of the City of Crest Hill Code of Ordinances.

**NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CREST HILL, WILL COUNTY, ILLINOIS, PURSUANT TO ITS STATUTORY AUTHORITY, AS FOLLOWS:**

**SECTION 1:** The City Council hereby finds that all the recitals contained in the preamble to this Ordinance are true, correct, and complete and are hereby incorporated by reference hereto and made a part hereof.

**SECTION 2:** That Title 15 (Buildings and Construction), Chapter 15.04 (Building Requirements), Section 15.04-050 (Letters of Credit and Other Surety Requirements) of the City of Crest Hill Code of Ordinances, is hereby repealed in its entirety and replaced with the following amended Section 15.04-050, as follows:

**§ 15.04.050 LETTERS OF CREDIT AND OTHER SURETY REQUIREMENTS.**

(A) *Definitions.* For purposes of this section the following definitions shall apply unless the context clearly indicates or requires a different meaning.

**PROJECT GUARANTEE.** An irrevocable letter of credit or letter of commitment issued by a bank, savings and loan association, or other city approved source as may be designated by the City of Crest Hill ("city") in a format adopted by the city and approved by the City Attorney and payable to the City of Crest Hill, sufficient to cover 125% of the cost of the public

improvements as estimated by the applicant's engineer employed by the subdivider and approved by the City Engineer to assure the satisfactory and complete installation of improvements as set forth in the city's ordinances, rules and regulations and as contained in the approved improvement plans and specifications. The additional 25% shall cover, but not be limited to contingencies, maintenance of improvements, and the abatement of construction nuisance and soil erosion and sediment control during the period prior to acceptance of the improvements. The irrevocable letter of credit or letter of commitment shall be secured from a bank, savings and loan association, or other city approved source authorized to issue such instruments in the State of Illinois and as approved by the city.

**PROJECT WARRANTY.** An irrevocable letter of credit or letter of commitment issued by a bank, savings and loan association, or other city approved source, the security of which shall be designated by the city in a format adopted by the city and approved by the City Attorney and payable to the city in an amount equal to 20% of the original cost estimates of the improvements to warrant the integrity of the improvements completed for a period of two years after date of final acceptance of the subdivision or planned unit development. The irrevocable letter of credit shall be secured from a bank authorized to issue such instruments in the State of Illinois and approved by the city. All other letters of commitment or other security documents relating to the project warranty must be authorized and approved by the city from a company authorized to engage in business in the State of Illinois.

(B) *Project guarantee.*

(1) The applicant shall post with the Building Commissioner, a project guarantee prior to the commencement of construction. Said project guarantee shall also receive the approval of the City Engineer prior to becoming effective. Said guarantee shall then be conveyed by the Building Commissioner to the City Engineer for maintaining the same in such City Engineer's possession throughout the time provided for herein.

(2) The project guarantee shall be based on the City Engineer approved applicant engineer's estimate of cost of public improvements to be constructed, and shall include, but not be limited to, the cost of right-of-way improvements, curb and gutter, roadway base, binder and surface course, bike paths, sidewalks, street name and traffic control signs, striping, streetlights and associated electrical work, earthwork and mass grading, including associated stockpiling, hauling and respreading, retaining walls, fine grading where the overland flow route traverses properties of separate ownership, storm sewers, culverts, manholes, catch basins, inlets and grates, grading of overflow swales through the project, stormwater detention facilities, including outlet control facilities, the cost of protection and repair of existing field tiles, sanitary sewer and/or water main extensions, fire hydrants, valves, manholes, lift stations, force mains and all other appurtenances, parkway trees, erosion and sediment control, temporary seeding and other measures for stabilization of the site, including the detention facilities, stake-out of all lots with iron pipe at all lot corners, and the cost of required offsite improvements, including ground surface restoration.

(C) *Default.*

(1) If the improvements have not been completed in accordance with the approved improvement plans and construction specifications, or any of the improvements have not been completed within the time frame prescribed in the city's subdivision ordinances or as otherwise may be set forth in an agreement between owner, developer or subdivider, the

subdivision guarantee shall be considered in default and may be foreclosed upon, drawn upon, or claims made or otherwise asserted by the city. In the event of default and a foreclosure, draw down, or claims made, funds will be drawn from the bank, savings and loan, surety or insurance company issuing the project guarantee to complete the construction and installation of the improvements.

(2) An administrative fee that reflects the city's actual costs associated with preparing bid documents, preparing, and administering a contract for the work to be completed, and associated legal fees, shall be added to the actual construction cost incurred by the city to complete the improvements. This fee shall be withdrawn directly from the funds included in the project guarantee.

(D) *Release of security requirement.* The project guarantee may be released by formal approval by the City Council upon receipt of the following items by the City Engineer, Building Commissioner, or other city official, as is appropriate, at least 30 days prior to the expected response from the city. The city will endeavor to review such requests within 30 days after receipt of the same by the appropriate party to whom the owner, subdivider or developer is directed. Such 30-day period shall toll if the owner, subdivider, or developer has not provided the appropriate information requested by the city.

(1) A letter from the applicant's engineer stating that they have inspected the project, and all improvements are complete per the plans and specifications.

(2) "As-built" drawings of the project improvements, certified by the applicant's engineer, in AutoCAD format provided on a flash drive or other approved medium and 2 pdf copies of said drawing [1 full size and 1- 11x17].

(3) A letter recommending acceptance of all public infrastructure (streets, drainage facilities, sanitary sewer and water distribution facilities, recreational facilities, and other appurtenant items) by the City Engineer.

(4) A letter of acceptance of improvements on other lands by the owner of such property (where applicable).

(E) *Redemption of security requirement.* The project guarantee may be amended to reflect a reduced amount, provided the partial improvements are acknowledged in writing by the City Engineer and Building Commissioner, and approved by the City Council. The following items shall be submitted at least 30 days prior to the expected response from the city. The city will endeavor to review such requests within 30 days.

(1) Confirmation that all fees required of the applicant by ordinance have been paid in full and that applicant's account with the city is in good standing.

(2) A written request and a revised current estimate of the cost to complete the work shall be submitted by the applicant's engineer to the Building Commissioner. The revised estimate shall show all the original estimated items with the appropriate items reduced or showing a zero balance.

(3) Twenty-five percent of the original cost estimate shall be added to the revised estimate to determine the amount of the amended project guarantee.

(4) The project guarantee shall never be reduced below 25% of the original estimated cost of improvements or the cost of uncompleted work plus 25% as determined by the City Engineer. If, in the opinion of the City Engineer, the current amount of the project guarantee is not adequate to cover the cost of the uncompleted work, the project guarantee shall be amended to reflect an increased amount.

(5) The revised estimate shall be accompanied by a letter from the applicant's engineer stating that they have inspected the project and all improvements being reduced or showing a zero balance are installed per the plans and specifications.

(6) Reduction of project guarantee does not imply acceptance of those improvements included in that reduction; acceptance of improvements does not occur until all improvements are complete and inspected by city, and project guarantee is released by the City Council as outlined in division (D) above.

(F) *As-built plans.* After completion of all public improvements, and at least 30 days prior to the final acceptance of the project, the applicant shall make, or cause to be made, a map showing the actual location and elevation of all valves, manholes, stubs, sewer and water mains, storm sewer with rim and invert elevations, elevation of overflow routes in critical locations, street lights and wiring, storm sewers, centerline of roadways, ditches, overflow routes, detention/retention basins, and such other facilities as the Building commissioner shall require. This map shall be submitted to scale on five paper copies as well as two copies in a digital form utilizing the latest version of AutoCAD, or other software approved by the City of Crest Hill and shall bear the signature and seal of an Illinois registered professional engineer. The presentation of this map shall be a condition of final acceptance of the improvements, and release of the Project Guarantee assuring their completion.

(G) *Acceptance of dedication of improvements.*

(1) (a) The applicant shall be responsible for the maintenance and upkeep of all public areas and improvements until the improvements receive written approval by the Engineer and Building Commissioner and final acceptance by the City Council. The applicant is solely responsible for:

1. Maintaining all improvements;
2. Keeping all public ways, sewers, and drains free from soil, debris and trash;
3. Installing and maintaining appropriate erosion control measures; and
4. Providing for snow removal on all streets within the subdivision.

(b) If the applicant does not promptly remove snow or perform other maintenance, the city may clear snow or perform other maintenance activities and submit the invoice for this work to the applicant for payment. If the applicant does not pay this invoice, the project guarantee may be utilized to pay these costs.

(2) Final acceptance of the dedication of an open space or other public area, including rights-of-way, shall be after any and all improvements are completed, receive written approval and recommendation by the City Engineer and Building Commissioner, and are formally accepted by the City Council.

(3) Approval of the final plat shall be dependent on presentation of proof of responsibility for the maintenance of all community improvements within such plat or project including but not limited to swimming pools, tennis courts, tot lots, clubhouses and all accessories and amenities related solely to the development itself as identified during the preliminary and final plat and engineering processes.

(4) The final surface course cannot be initiated until a minimum of 12 months from the time the curb and gutter, roadway base course and roadway binder course have been completed or until such time that at least 80% of the phase or unit is built-out, whichever time period is longer, but shall not exceed 30 months under any circumstances unless approved in advance by the city.

(5) Construction of all improvements covered by this section must be completed within three years from the approval date of the final plat by the City Council unless good cause can be shown for granting an extension of time. Phasing of large developments is encouraged so that projects can be completed in three years. Project completion shall include the final lift of asphalt and sidewalks for every lot.

(6) A project warranty must be provided in exchange for final acceptance, at which time the project guarantee may be released.

(H) *Project warranty.*

(1) The applicant shall post a project warranty with the City Clerk after final acceptance of the public improvements in the amount of 20% of the amount provided for the improvements accepted. The project warranty shall be for a period of two years. Such project warranty shall not require any performance or additional improvements not contained in and specified under the provisions of the original project guarantee.

(2) The project warranty shall be used to replace any faulty materials or workmanship not discernible at the time of final inspection or acceptance by the city and warrant the integrity of the improvements for two years following the final acceptance of the project.

(3) The applicant shall request in writing an inspection of the improvements by the city approximately 18 months after final acceptance. The applicant shall then proceed to perform any warranted corrective work at least 30 days prior to the two-year expiration date of the project warranty.

(I) *Extending terms of letter of credit.* No letter of credit may be approved by the City of Crest Hill, nor submitted to it by the owners, developers, builders, or subdividers of any project requiring a letter of credit unless the following language is contained therein:

    If the public works, public improvements or other work covering by this Letter of Credit have not been completed prior to the expiration date of this Letter of Credit, the City of Crest Hill shall have the option upon written

notice given not less than ten (10 days before the termination of this Letter of Credit, seeking to extend the Letter of Credit for an additional period of not more than one (1) year of making written demand upon us pursuant to the provisions of this Letter of Credit.

(Ord. 1512, passed 12-7-09)

**SECTION [3]:** In the event that any provision or provisions, portion or portions, or clause or clauses of this Ordinance shall be declared to be invalid or unenforceable by a Court of competent jurisdiction, such adjudication shall in no way affect or impair the validity or enforceability of any of the remaining provisions, portions, or clauses of this Ordinance that may be given effect without such invalid or unenforceable provision or provisions, portion or portions, or clause or clauses.

**SECTION [4]:** That all ordinances, resolutions, motions, or parts thereof, conflicting with any of the provisions of this Ordinance, are hereby repealed to the extent of the conflict.

**SECTION [5]:** That the City Clerk is hereby directed to publish this Ordinance in pamphlet form.

**SECTION [6]:** That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

*[Left Intentionally Blank]*

PASSED THIS 20<sup>TH</sup> DAY OF NOVEMBER, 2023.

	Aye	Nay	Absent	Abstain
Alderman John Vershay	_____	_____	_____	_____
Alderman Scott Dyke	_____	_____	_____	_____
Alderwoman Claudia Gazal	_____	_____	_____	_____
Alderman Darrell Jefferson	_____	_____	_____	_____
Aldersperson Tina Oberlin	_____	_____	_____	_____

Alderman Mark Cipiti  
Alderman Nate Albert  
Alderman Joe Kubal  
Mayor Raymond R. Soliman

_____	_____	_____	_____
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_____	_____	_____	_____

\_\_\_\_\_  
Christine Vershay-Hall, City Clerk

APPROVED THIS 20<sup>TH</sup> DAY OF NOVEMBER, 2023.

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Raymond R. Soliman, Mayor

ATTEST:

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Christine Vershay-Hall, City Clerk