

Sec. 340.08 PAYMENT FOR INSTALLATION OF IMPROVEMENTS

Subd. 1. General. The required improvements to be furnished and installed by the sub-divider, which are listed and described above, are to be furnished and installed at the sole expense of the sub-divider and at no extra expense to the public. In addition, the following requirements shall apply:

- a. The developer of a subdivision shall be required to provide cash or a financial guarantee covering at least 50% of the total cost of the project as estimated by city staff/city engineer, including the cost of inspections. The cost of the balance of the improvements may be special assessed.
- b. In the case of an improvement, the cost of which would be general policy of the City be assessed only in part to the improved property and the remaining cost paid out of general tax levy, the Council may make provision for payment of a portion of the cost by the sub-divider and the remaining portion of the cost by the City.
- c. If any improvement installed within the subdivision will be of substantial benefit to lands beyond the boundaries of the subdivision, the Council may make provision for placing a portion of the cost of the improvement against the same; and in such case the sub-divider will be required only to pay for such portions of the whole cost of said improvements as will represent the benefit to the property within the subdivision.
- d. No final plat shall be recorded in the absence of a signed agreement, negotiated between the City and the developer, documenting the improvements to be provided by the developer and the City, and the methods to be used to finance the overall project. The agreement shall be backed up by a performance bond as further provided herein.

Subd. 2. Required Petition or Agreement Providing for Proper Installment of Improvements.

- a. Prior to installation of any required improvements and prior to approval of the Final Plat, the sub-divider shall petition the City for the necessary improvements subject to the uniform Special Assessment Code as coded in Minnesota Statutes, or the sub-divider shall enter into a contract in writing with the City requiring the sub-divider to furnish and construct said improvements at his sole cost in accordance with the plans and specifications and usual contract conditions all approved by the City which shall include provisions for supervision or details and construction by City staff. The agreement shall require the sub-divider to make an escrow deposit or in lieu thereof to furnish the performance bond as specified in Subdivision 3 hereof. The amount of the deposit and the penal amount of the bond shall equal the City Engineer's or other City staff's estimate of the total cost of the improvements to be furnished under the contract, including the cost of inspection by the City. The time for completion of work and the several parts thereof shall be determined by the City upon recommendation of the Engineer after consultation with the sub-divider and shall be reasonable in relation to the work to be done, the season of the year, and proper correlation with construction activity in the subdivision.
- b. The amount of the deposit and the penal amount of the bond shall equal the City Clerk's estimate of the total cost of the improvements to be furnished under the contract, including the cost of inspection by the City. The time for completion of work and the several parts thereof shall be determined by the City upon recommendations of the City Clerk and other city staff after consultation with the sub-divider and shall be reasonable in relation to the work to be done, the season of the year, and proper correlation with construction activity in the subdivision.

Subd. 3. Financial Guarantee. The contract, provide by Subdivision 2 above, shall require the sub-divider to make an escrow deposit or in lieu thereof furnish the performance bond as follows:

- a. Escrow Deposit. An escrow deposit shall be made with the City clerk-treasurer, in a sum equal to 125% of the total cost as estimated by the engineer of all the improvements to be furnished and installed by the sub-divider pursuant to the contract, which have not been completed prior to approval of the plat. The total costs shall include costs of inspection by the community. The community shall be entitled to reimburse itself out of said deposit for any cost and expense incurred by the community for completion of the work in case of default of the sub-divider under said contract, and for any damages sustained on account of any breach thereof. Upon completion of the work and termination of any liabilities to the City or the sub-divider under said contract, the balance remaining of said deposit shall be refunded to the sub-divider.

b. Performance Bond. In lieu of making an escrow deposit above described, the sub-divider may furnish the City with a public contract of performance bond, in the form prescribed by statute, with corporate surety in a penal sum equal to 125% of the total cost as estimated by the City Clerk and/or city staff including cost of inspection of all improvements to be furnished and installed by the sub-divider pursuant to the contract and which have not been completed prior to the approval of the Final Plat. The bond shall be approved by the City Attorney and filed with the City Clerk.

Subd. 4. Construction Plans. Construction plans for the required improvements, conforming in all respects to the standards of the City and the applicable City Code provisions, shall be prepared at the sub-divider's expense by a professional engineer who is registered in the State of Minnesota; and said plans shall contain his seal. Such plans, together with the quantity of construction items, shall be submitted to the City Clerk for his approval and for his estimate of the total cost of the required improvements; upon approval they shall become a part of the contract required in Subdivision 2 above. The tracings of the plans approved by the City, plus two prints, shall be furnished to the City to be filed by the City.