

**AN ORDINANCE AMENDING THE CITY CODE OF THE CITY OF ROLLING MEADOWS REGARDING THE GUARANTEE OF COMPLETION AND MAINTENANCE OF SUBDIVISION IMPROVEMENTS**

WHEREAS, the City Council has determined that it is advisable, necessary and in the public interest to amend Section 98-227 of Chapter 98 of the Code of Ordinances of the City of Rolling Meadows to be consistent with the provisions of 65 ILCS 5/11-39-1, *et seq.*, and to clarify the requirements regarding a subdivider's guarantee of completion and maintenance of subdivision improvements and the regulations applicable to a subdivider's failure to complete required improvements.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Rolling Meadows, Cook County, Illinois, as follows:

**Section 1:** Section 98-227 entitled "Guarantee of completion and maintenance", of Division 2 entitled "Procedure for Approval", of Article IV entitled "Improvements", of Chapter 98 entitled "Subdivisions", of the Code of Ordinances of the City of Rolling Meadows is hereby amended to read- as follows:

**Sec. 98-227. Guarantee of completion and maintenance.**

The final plat of subdivision shall not be recorded until the subdivider has completed all required public improvements or guarantee the completion of all required improvements and has guaranteed to maintain the improvement for a period of one year following satisfactory installation of the improvement. This guarantee shall be by either one or a combination of the following methods; only one method shall be applied to a specific improvement:

- (1) *Surety bond.* The subdivider may post a surety bond or other security as provided by this article or as authorized by state statute in a form approved by the city attorney. The amount of the bond or other security shall be not less than 110 percent of the final estimate of cost of the improvement, as estimated by the city engineer under section 98-229. There shall be no reduction in the amount of that portion of the bond applying to a particular improvement unless and until that improvement is complete and accepted or approved by the city engineer and the community development director. Each such bond is deemed to contain the following provisions, whether such provisions are inserted in such bond or not:

The principal and sureties on this bond agree that all the undertakings, covenants, terms, conditions and agreements of the contract or contracts entered into between the principal and the city will be performed and fulfilled, and to pay all persons, firms and corporations having contracts with the principal or with subcontractors, all just claims

due them under the provisions of such contracts for labor performed or materials furnished in the performance of the contract on account of which this bond is given, if such claims are not satisfied out of the contract price of the contract on account of which this bond is given, after final settlement between the city and the principal has been made.

- (2) *Irrevocable letter of credit.* The subdivider may post an irrevocable letter of credit in a form approved by the city attorney. The amount of the letter of credit shall be not less than 110 percent of the final estimate of cost of the improvement as estimated by the city engineer under section 98-229. Reductions in the amount of a letter of credit shall only be by approval of the city attorney conditioned upon the following:
  - a. The installation of an improvement or improvements for which a reduction is requested must be approved by the city engineer and community development director.
  - b. For full improvement installation the amount of the reduction shall not exceed 85 percent of the guarantee's value assigned to that improvement.
  - c. For partial improvement installation the amount of the reduction shall not exceed 75 percent of the guarantee value assigned to the installed improvement. A partial reduction request may be rejected if it is determined by the city engineer that damage or unreasonable wear will result to the improvement or other improvements as a result of the partial completion.
- (3) *Cash bond.* The subdivider may elect to deposit a cash bond with the city in an amount not less than 110 percent of the final estimate of cost of the improvements as estimated by the city engineer under section 98-229. The deposit shall be held in a special account by the city, and the city may issue partial payouts as work progresses in amounts recommended by the city engineer and approved by the public works director as corresponding to the original estimate of unit costs. Partial payouts shall be contingent upon favorable inspection reports, and the sum of partial payouts for a single improvement shall not exceed 90 percent of the original deposit for the improvement until and unless the improvement is complete and accepted or approved by the city council.
- (4) *Cash deposit.* The subdivider shall deposit cash with the city to guarantee the repair, correction or replacement of any improvement not properly completed or destroyed or damaged after installation and prior to acceptance of the subdivision improvements by the city proposed in section 98-228. The cash deposit shall pertain to the following but is not limited thereto: cleanup; buffalo box repair or adjustment to proper level; sidewalk, curb or street damage repair; tree plantings and water, sanitary sewer and storm sewer extension. The cash deposit required by this subsection is as follows: (i) \$50.00 per lot for a single-family dwelling, (ii) \$20.00 per unit for a multifamily dwelling, (iii) \$50.00 per acre for commercial and industrial property. The maximum cash deposit for each classification shall be \$5,000.00. The cash deposit shall be held in a special account by the city. After the area is complete, the city engineer shall present the subdivider with a written list of necessary repairs and corrections. If this work is not done within 30 days of notice by the city engineer to the subdivider, the

city will make the correction and repairs and the cost thereof will be deducted from the cash deposit.

- (5) *Alternate improvement method.* The subdivider may, for subdivisions of not to exceed ten acres for residential subdivisions and not to exceed 20 acres for industrial subdivisions that are contiguous and adjacent to a previously improved subdivision, provide the following materials as proof of intent to install and maintain required improvements:
- a. Proof of ownership of the land to be subdivided, approved by the city attorney.
  - b. A photographic copy of the contract between the subdivider and his subcontractors in which the city is named as the beneficiary of the public improvements, as specified, plus the requirements of subsection (5)f. of this section.
  - c. A letter of guarantee from the owner of the subject land to the subcontractors of the subdivider that the owner will pay for all public improvements of the entire subdivision if the subdivider defaults.
  - d. A letter from the owner and the subdivider of the subject land guaranteeing maintenance of the properly completed public improvements for the period of one year from the date of completion thereof.
  - e. A performance bond, letter of credit or other security from the subcontractor or contractor installing the public improvements, subject to the approval of the city attorney.
  - f. The contract between the subdivider and his subcontractors shall provide that the subcontractors shall maintain the public improvements for one year from the date of completion, as provided in this section, and that the subcontractors shall provide a maintenance bond for that period equal to 100 percent of the value of the improvements, or the subdivider shall turn over to the city a sum equal to 10 percent of the total value of the improvements to be used by the city for maintenance or paid to the subcontractors if, on certification of the city engineer, the improvements have been properly maintained for one year by the subcontractors.
- (6) *Project completion.* The city shall refund a cash bond to the subdivider or release the irrevocable letter of credit or surety bond within 60 days after the subdivider notifies the city in writing of the completion of the project improvements for which the security was required. For this purpose, "completion" means that the city has determined that the project improvement for which the security was required is complete or a licensed engineer or licensed architect has certified to the subdivider and the city that the project improvement has been completed in compliance with the applicable codes and ordinances of the city. The city shall pay interest to the subdivider, beginning 60 days after the subdivider notifies the city in writing of the completion of the project improvement, on any security not refunded to the subdivider, at the rate of one percent per month.

- (7) *Failure to complete project.* Except where a different time period is prescribed by written agreement of the City and subdivider, all required improvements guaranteed by the methods in the section shall be installed, constructed, or performed by the developer within twenty-four (24) months from the earlier of the date of recording the plat or the date of the City's issuance of the building permit. If the subdivider fails to sufficiently complete the required improvements, as determined by the public works director, prior to the expiration of this twenty-four (24) month period or other period dictated by written agreement, the City shall have the right to draw on the security to cause the completion of the improvements and pay for all costs related thereto, in addition to any other available remedies.

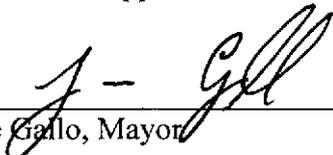
**Section 2:** This Ordinance shall be in full force and effect from its passage, approval and publication in pamphlet form as provided by law.

AYES: O'Brien, Vinezeano, Bisesi, Reyez, Sanoica, McHale, Budmats

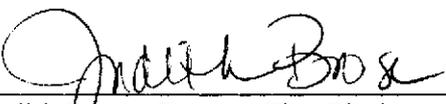
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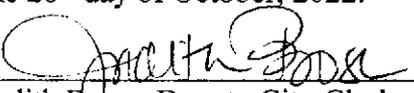
Passed and approved this 25<sup>th</sup> day of October, 2022.

  
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Joe Gallo, Mayor

ATTEST:

  
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Judith Brose, Deputy City Clerk

Published in pamphlet form by  
Authority of the Corporate Authorities  
of the City Rolling Meadows, Illinois  
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Judith Brose, Deputy City Clerk