

**ACTION ITEM
BOARD OF SUPERVISORS**

DATE: May 19, 2009

TO: Board of Supervisors

FROM: Anthony Romanello, ICMA-CM
County Administrator



ISSUE: Work Session on Developer Security Policy

STAFF RECOMMENDATION: N/A

BUDGET IMPACT: N/A

ATTACHMENTS: (1)

- Power Point Reso/Ord/Proc #
- Reso/Ord/Proc #
- Reso/Ord/Proc #

REVIEW: County Administrator's Office _____

Legal _____

- Consent Agenda Other Business Public Hearing
- Discussion Item Presentation Unfinished Business
- New Business

PRESENTATION BY: Keith Dayton
Director of Code Administration

ELECTION DISTRICT: N/A



Security Policy Update

May 19, 2009



Background

- **Securities are Held to Ensure Completion of Public Improvements Associated with Approved Subdivisions or Site Plans**
- **Cash, Letters of Credit, & Surety Bonds**
- **County Presently Holding \$125,000,000 as Follows:**
 - **Developer Security - \$120,000,000**
 - **Individual Lot Security - \$5,000,000**
- **Released Upon Completion of Improvements**



Current Policy

- **Adopted in 2000**
- **Contains Policies Contrary to Current State Law**
- **Contains Provisions that Fail to Adequately Protect the County**
 - Indefinite Agreement Term
 - Lack of Security for Certain Site Plan Improvements
 - Lack of Periodic Updates for Cost Estimates
 - Stipulated Inefficient Procedures (e.g. Interest Calculation)
- **Vague Language**

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Policy Update Process

- **Policy Review Completed in 2006 by Outside Consultant**
- **Formed Staff Security Policy Review in 2008**
- **Representatives from County Administration, County Attorney, Treasurer, Finance, Planning, and Code Administration**
- **Comprehensive Update Completed this Spring**

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Policy Update Goals

- **Comply with Current Laws**
- **Provide Added Protection for Stafford County**
- **More Understandable Document**

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Compliance

- **Modified Language Pertaining to Maximum Security Amounts**
 - “at least 125%” changed to “not greater than 125%”
- **Removed Language Allowing County to Disqualify a Surety for Default of Previous Obligations to the County**
- **Allows Surety Bonds**

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Protection

- **Added Security for Water, Sewer & Road Improvements for Site Plans**
- **Maximum Term of 5 Years for Performance**
- **Updated Cost Estimates for Extensions**
- **Clearly Stipulated that Securities for Road & Drainage Improvements Would Not be Released Until After Acceptance by VDOT**
- **Strengthened Provisions Relating to Maintenance Securities**
- **Included Provision for Court Action in Cases of Insufficient Funds for Completion**

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Document Clarity

- **Use Consistent Terminology Throughout**
- **Eliminate Multiple (and sometimes conflicting) References to Similar Requirements**
- **Edit for Organization & Understanding**

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Miscellaneous Changes

- **Modified Interest Payment for Cash Securities**
- **Extended Period of Initial Performance to Two Years**