

REQUEST FOR BOARD ACTION

HENDERSON COUNTY BOARD OF COMMISSIONERS

MEETING DATE: February 6, 2006

SUBJECT: Improvement Guarantee for Hickory Run

ATTACHMENTS: 1. Application for Improvement Guarantee
2. Draft Performance Guarantee Agreement
3. Cost Estimates

SUMMARY OF REQUEST:

A.L.D. Investors, Inc., owner and developer of the project, submitted an application for an improvement guarantee for a subdivision titled Hickory Run. Hickory Run is a 38-lot major subdivision on 85.35 acres of land off of Old Mount Olivet Road. The Master Plan and Phase I Development Plan for Hickory Run was conditionally approved by the Planning Board on January 17, 2006. The improvement guarantee is proposed to cover the construction of the road (including paving), road shoulder stabilization and erosion control for Phase I of the subdivision.

According to Sections 170-38 and 170-39 of the Henderson County Subdivision Ordinance, where the required improvements have not been completed or in lieu of completing all of the required improvements, in order to submit a Final Plat and also prior to Final Plat approval, the developer may post a performance guarantee for the improvements. Section 170-38 of the Henderson County Subdivision Ordinance also states that the installation of the improvements must be completed within two years of the date of approval of the improvement guarantee. The developer intends to post with the County an irrevocable letter of credit in the amount of at least \$62,822.00 to cover the cost of the improvements (\$50,257.00) as well as the required twenty-five percent (25%) contingency (\$12,565.00). The proposed completion date for the improvements is October 6, 2006.

A draft Performance Guarantee Agreement is attached for the Board's consideration. If the application is approved, the developer must submit an irrevocable letter of credit in accordance with the terms of the Agreement. Once the County receives a letter of credit in proper form, the relevant parties must execute the Agreement.

COUNTY MANAGER'S RECOMMENDATION/BOARD ACTION REQUESTED:

I recommend that the Board approve the improvement guarantee application for Hickory Run, subject to the developer submitting to Henderson County an irrevocable letter of credit in accordance with the terms of the draft Performance Guarantee Agreement.

Henderson County
APPLICATION FOR IMPROVEMENT GUARANTEES

Name of Subdivision HICKORY RUN

Name of Owner A.L.D. INVESTORS, INC.

Address P. O. BOX 754, E. FLAT ROCK, NC 28726

Phone: (828) 696-2551

Agent Steve Waggoner Phone: (828) 693-1022

Date of Preliminary Plan Approval by Planning Board 1-17-06

Significant Conditions Imposed: _____

Type of improvement requested:

☐ Cash on Deposit (Certified Check)

☐ Bank Escrow Account

☒ Irrevocable Letter of Credit

☐ Surety Performance Bond

☐ Trust Agreement

Name of bank or bonding company Mountain First Bank & Trust

Amount of guarantee (including 25% overhead) \$ 100,000.00

Projected completion date 8 months 10/6/06 per Mr. Dyer on 1/24/06

Are cost estimates attached (with quantities and unit costs)? ☒ yes ☐ no

Have engineering and design work been completed?

☐ complete ☒ partially complete ☐ incomplete

I have read and understand all requirements stated in Article V of the Henderson County Subdivision Ordinance regarding subdivision improvement guarantees.

Owner's Signature 

1-18-06

Date

Submitted By _____

Date _____

Received By MC

Date 1/23/06

\$250.00 paid
MC 1/24/06



STATE OF NORTH CAROLINA

PERFORMANCE GUARANTEE AGREEMENT

COUNTY OF HENDERSON

THIS AGREEMENT made and entered into this _____ day of _____, 200____, by and between A.L.D. Investors, Inc., hereinafter referred to as "Developer," and the Henderson County Board of Commissioners, hereinafter referred to as "Board;"

WITNESSETH:

WHEREAS, the Developer is attempting to secure approval of one or more Final Plats for Phase I of a proposed subdivision known as Hickory Run, hereinafter referred to as the "Project," located in Henderson County, North Carolina; and

WHEREAS, the Henderson County Planning Department conditionally approved the Master Plan and Phase I Development Plan for the project, under Chapter 170 of the Henderson County Code, which is entitled Subdivision of Land, and

WHEREAS, Chapter 170 requires the completion of certain improvements prior to Final Plat approval, however Sections 170-38 and 170-39 allow the Board of Commissioners to permit the Developer to post an irrevocable letter of credit with Henderson County to guarantee the completion of said required improvements; and

WHEREAS, the Developer has requested that the Board of Commissioners approve the posting of an irrevocable letter of credit to guarantee and secure the completion of said improvements in lieu of completion of all improvements prior to said approval;

IT IS THEREFORE AGREED as follows:

1. The Developer will, on or before October 6, 2006, complete as required the following improvements to serve lots in Phase I of Hickory Run: construction of the roads (including paving), road shoulder stabilization and erosion control as required by the Henderson County Subdivision Ordinance, as shown on the Phase I Development Plan prepared by Steven Waggoner, P.L.S., conditionally approved by the Henderson County Planning Department on January 17, 2006, and as shown on the attached cost estimates prepared by Hardin Masonry Supply (dated January 23, 2006).
2. The Developer will post with Henderson County an irrevocable letter of credit guaranteeing completion of said improvements by the required date. Said letter of credit must be issued by a bank licensed to do business in North Carolina, in the amount of at least \$62,822.00 (the "Improvement Guarantee"), payable to Henderson County, and having an expiration date not earlier than 60 days after the completion date stated in Paragraph 1, above.

3. In the event that the required improvements are completed as required, the letter of credit will be released. In the event that the improvements are not completed as required, then the Developer shall be in breach of this Agreement and the Improvement Guarantee and the County shall call the letter of credit and use the funds to complete the required improvements.
4. At such time as the County Attorney has reviewed and approved this Agreement and this Agreement is fully executed, and a letter credit in the proper form is posted, then the Board will allow the Final Plat(s) for Hickory Run, to be approved by the Subdivision Administrator, provided that any other requirements of Chapter 170 of the Henderson County Code and/or conditions imposed by the Planning Board have been satisfied.
5. The County Manager shall have the authority to approve the release of portions of the Improvement Guarantee as work progresses, provided the amount remaining under the Improvement Guarantee meets or exceeds 125% of the cost of the remaining improvements. The County Manager has the discretion to require the Developer to provide, at the Developer's expense, an independent verification of the remaining work.

IN WITNESS WHEREOF, the Board has, by appropriate action, caused this Agreement to be reviewed for approval by the County Attorney and executed by its Chairman or other authorized member and attested by the Clerk, and the Developer has caused this Agreement to be properly executed, this the ____ day of _____, 200__.

APPROVED AS TO FORM:

County Attorney

HENDERSON COUNTY BOARD OF COMMISSIONERS

BY: _____
William L. Moyer, Chairman

ATTESTED BY:

[OFFICIAL SEAL]

Elizabeth W. Corn, Clerk to the Board

DEVELOPER:
A.L.D. Investors, Inc.

BY: _____
President

ATTESTED BY:

[CORPORATE SEAL]

Secretary/Assistant Secretary

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

I, _____, Notary Public for said County and State, certify that Elizabeth W. Corn personally came before me this day and acknowledged that she is the Clerk to the Board of Commissioners of Henderson County, a municipal corporation and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by the Chairman of the Board of Commissioners, sealed with its corporate seal, and attested by her as its Clerk.

THIS the ____ day of _____, 2006.

Notary Public

My Commission Expires: _____

[NOTARIAL SEAL]

**STATE OF NORTH CAROLINA
COUNTY OF HENDERSON**

I, _____, Notary Public for said State and County certify that _____ came before me this day and acknowledged that he/she is the Secretary/Assistant Secretary of A.L.D. Investors, Inc., and that by authority duly given and as the act of the corporation the foregoing instrument was signed in its name by its President/Vice President, sealed with its corporate seal, and attested by himself/herself as its Secretary/Assistant Secretary.

THIS the _____ day of _____, 2006.

Notary Public

My Commission Expires: _____ **[NOTARIAL SEAL]**

3867 Old 25 South
Zirconia, NC 28790



(828) 692-9207
FAX: (828) 692-9209

INVOICE No.
6663

1-23-06

BILL TO:

A. L. D. Investors, Inc.

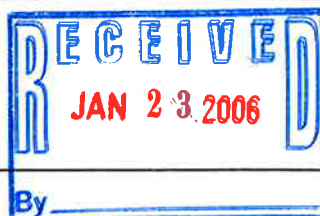
Quote

DIRECTIONS:

Old Mtn. Olivet Rd.

QUANTITY	ITEM	UNIT PRICE	TOTAL
866'	Road Clear + Grade to State Spec 18 Rd. Bed	\$28.00/lin ft	24,248.00
29	loads CR Stone - Approx. 15 tons per load	16.00	6960.00
120'	15" Galv. Pipe	9.00 x 1 ft	1080.00
5	15" Galv. Bands	9.00	45.00
20	50' Roll Silt Fence	22.00	440.00
	Tax		596.75
			33,369.75
866'	paving 18' wide total 1732 sq yds	9.75 per yd	16,887.00
	Total		50,256.75

SIGNATURE



SUB
TOTAL

NC TAX
7%

TOTAL