

Village of Montgomery Ordinance 1433 passed September 14, 2009

Code of Ordinance Section 2-3.1 Letters of Credit and Performance Bonds

Letter of Credit and/or Performance Bonds (hereinafter collectively referred to as “Letter of Credit” or Letter of Credits”) reduction/release requests may be made using the following procedure:

1. The developer or applicant for the project in question must submit a written request with supporting documentation to the Director of Community Development which shall include the following:
 - a. A cover letter formally requesting a reduction or release of the Letter of Credit.
 - b. An engineer’s payment request or similar statement indicating specifically what items have been completed.
 - c. Certifications by the developer that all improvements have been satisfactory installed in accordance with the Village’s ordinances and requirements.
 - d. Waivers of Lien from the contractors.
2. Upon review of the supporting documentation by the Village engineer a letter will be furnished to the Director of Community Development recommending approval of the requested reduction/release, a reduction to a revised amount or denial of the request.
3. If the Village engineer recommends either approval of the request or a reduction to a revised amount, and after concurrence from Village staff that the recommendation is acceptable, the request will be forwarded to the Village’s Development Committee for recommendation to the Village Board. If the next regularly scheduled Development Committee meeting is canceled, then the request will be taken to the Committee-of-the-Whole meeting.
 - a. Letter of Credits that have been issued in order to gain a Temporary Certificate of Occupancy, as required in Section 6-35, or for public improvements (i.e water main, storm sewer, street extension etc) for individual site development projects (i.e. a commercial project such as construction of a pharmacy building and site) are not required to go through the Development Committee and Village Board review and approval process. These Letter of Credits reduction requests can, but are not required to, be reviewed and approved by staff. The Village staff has the right (in their discretion) to require any or all Letter of Credit reduction or release requests to go through the Development Committee and Village Board review and approval process.
4. The Village Board shall then take action on the Development Committee’s recommendation at their next Board meeting and shall either approve, deny or modify the recommendation. These provisions do not grant an applicant a right to

a reduction or release. The Village Board retains full authority using its discretion to refuse a partial reduction of a Letter of Credit. The Village Board retains full authority to refuse a release of a Letter of Credit unless release is mandated by Illinois law.

5. If approval is granted, a letter will be sent to the developer from the Village's Deputy Clerk at the direction of the Director of Community Development requesting a new or amended Letter of Credit (if a reduction or revision was approved) or releasing the Letter of Credit."