IV.-E.

Agenda Item

County of Hanover

Board Meeting: June 11, 2014

Subject: Appropriation – $532,560 – Subdivision Performance Guarantee

Summary of Agenda Item: The subdivision performance surety, in the form of a letter of credit issued by First Capital Bank for Liberty Trace Subdivision was called in order to complete the remaining improvements.

The Liberty Trace residential development project went into default in accordance with the terms of the Developer Performance Agreement in September 2011. Numerous public improvements including stormwater and drainage facilities, curbs, sidewalks, and landscaping are either incomplete, in disrepair, or in need of maintenance prior to acceptance by Hanover County. In April 2012, the Planning Department met with the developer and bank for Liberty Trace to develop a schedule for completion of the remaining improvements. After numerous revisions to the completion schedule and several meetings, the improvements remained incomplete and in disrepair; therefore, the County was left with no choice but to proceed to call the letter of credit in May 2014. Funds from First Capital Bank in the amount of $532,560 were received by Hanover County on May 28, 2014.

The County is currently refining an estimate and work scope from construction vendors to complete the remaining improvements. Any used funds will be returned to First Capital Bank.

The Finance & Management Services Department concurs with the requested action.

County Administrator's Recommended Board Motion: Approve the appropriation of $532,560 to the Capital Improvements Program as a source of funds for completion of public improvements in Liberty Trace Subdivision.

COUNTY OF HANOVER, VIRGINIA
Budget Supplement Detail

Department: Capital Improvements Program - Planning

General Fund

Expenditures:	
Additions to Expenditures	
Planning	
Defaulted Subdivision Projects	532,560
Total additions to expenditures	$ 532,560
Net change to expenditures:	$ 532,560
Revenues:	
Additions to Revenues	
Recovered Costs	
Defaulted Subdivision Projects	532,560
Total additions to revenues	$ 532,560
Net change to revenues:	$ 532,560
Net change to fund	$ 532,560