



# BOND ADMINISTRATION

## PUBLIC IMPROVEMENT AND ADMINISTRATIVE SUBDIVISION

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The Hanover County Subdivision Ordinance requires that a Performance Agreement be executed at the time of plat recordation for all improvements that have not been completed, approved and accepted. The [Performance Agreement](#) must be accompanied by a surety ([cash bond](#), [letter of credit](#), or [corporate surety](#)) in an amount sufficient to provide for the improvements identified in the Performance Agreement.

The Performance Agreement states that all improvements must be completed within eighteen (18) months of the recordation date or upon occupancy of more than one-third (1/3) of the residences in the subdivision, whichever occurs first.

### Starting the Process

Upon completion of the final plat review, the Subdivision Planner will issue a letter detailing the required surety amount. The surety and Performance Agreement must be submitted at the time the plats are submitted for recordation. The developer must use the forms as provided by the Planning Department. Any document received in which standard language is modified must be accompanied with written explanation for the changes and will require review by the County Attorney's office, which will result in extra review time.

Other review agencies (VDOT, Public Works, Public Utilities) may require bonds, fees, and/or agreements, administered by the individual departments.

### Partial Reduction of Surety

Once a minimum of thirty (30) percent of the improvements have been completed, a [request for reduction of surety](#) form can be submitted. One (1) partial reduction prior to recordation of the Subdivision plat may be requested in order to reduce the surety amount for work completed. Once the surety has been posted, reductions may be requested for work completed. After recordation of the plat, no more than three (3) partial releases may be requested in any twelve (12) month period

An inspection of the road and drainage improvements as well as any proffered amenities shall be made by the County once a surety reduction is requested. Upon completion of the inspection, a letter detailing the reduced bond

amounts and any outstanding items will be mailed to the developer. Requests for acceptance of public utility work are made directly to the Department of Public Utilities, and the inspections are made by that department.

### Extension Requests

Should the improvements not be completed, approved and accepted by the deadline date, an [extension of the performance agreement](#) can be requested. A letter from the surety company stating their concurrence with the extension request must be submitted. Extension requests must be received prior to the current performance agreement deadline. Requests are heard at the monthly Bond Committee meeting. Letters granting or denying the request are mailed to the developer after the meeting.

### Release of Surety

Upon completion of all improvements, a [request for surety release](#) may be submitted. An inspection will be conducted to determine if all improvements have been completed in conformance with the approved construction plans. Once acceptance has been received by all agencies, a letter releasing the surety will be mailed to the developer. For subdivisions with public utilities, **FINAL** acceptance must be granted by the public utilities departments before the surety can be released. Subdivisions with public roads must have VDOT acceptance of the roads into the State system before the release of the surety.

### Default Process

Should the improvements not be completed, approved and accepted by the deadline date and an extension of the performance agreement is not granted, the developer is considered to be in default and building permits will not be issued in the subdivision. At this time, the County reserves the right to call the surety and obtain the funds to complete the project.