



## CITY OF SANFORD FINANCIAL GUARANTEE OVERVIEW

**STEP 1:** An itemized cost estimate, based upon the approved subdivision construction drawings on file with the City of Sanford Public Works Department, must be prepared by an NC-licensed engineer.

**STEP 2:** The itemized cost estimate is to be transmitted by the developer to the City of Sanford's Engineering Division of the Public Works Department for review to determine if the estimate is reasonable and accurate. **125% of the total estimated cost** of all improvements not yet installed and approved by the City of Sanford shall be secured through a financial guarantee.

**Step 3:** The City of Sanford's Engineering Division staff shall provide the developer and the Department of Community Development (Planning staff) with a copy of the itemized cost estimate and a memorandum stating that the cost estimate is indeed reasonable and accurate.

**STEP 4:** The developer shall then provide a performance security (a letter of credit, a financial bond, or other acceptable form of performance guarantee) to the Department of Community Development for review. Community Development staff shall confer with the City of Sanford's Legal Department to verify the soundness of the financial guarantee.

**STEP 5:** Performance guarantees shall be reviewed jointly by the City's Legal Department and Community Development Department staff. Approval is issued at the staff level, and the developer shall be notified if/when their performance guarantee is approved. **Please note that a pre-construction conference with Public Works staff is required before site improvements can begin.**

*There is no definitive timeline for submittal of the information referenced above. Requests for financial guarantees are processed as they are received, and as staff workload allows.*

### Contact Information

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