

RESOLUTION 11-02

**A RESOLUTION TO RECOMMEND TO THE BOARD OF MAYOR AND ALDERMEN
TO RELEASE THE EXISTING LETTER OF CREDIT FOR
CHAPMANS CROSSING SUBDIVISION – PHASE 2**

WHEREAS, a Letter of Credit is currently in place for this development; and

WHEREAS, the existing surety is guaranteeing the construction of certain improvements; and

WHEREAS, the following improvements are required pursuant to the Final Plat:

*Water, Sewer, Storm Water Drainage and Basins, Streets and Curbs and final
topping to all streets with 1 ½ inches of hot mix asphalt; and*

WHEREAS, to date, the improvements have been constructed and therefore a performance surety is no longer required; and

WHEREAS, it is the recommendation of the Planning Commission that the existing Letter of Credit be released in the amount of \$218,089.00; and

WHEREAS, pursuant to Section 3-103 of the Subdivision Regulations, upon completion of the public improvements listed above, the Developer will be required to file a “maintenance” surety guaranteeing performance of the public improvements for an additional one year period with the Planning Commission after the dedication and acceptance of such public improvements by the Board of Mayor and Aldermen.

WHEREAS, the developer is required under Article III, Section 3-102.201 of the Subdivision Regulations to submit an “as-built” survey of the public improvements including storm drainage; and

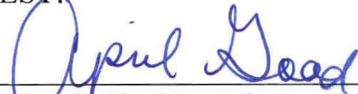
NOW, THEREFORE BE IT RESOLVED, by the City of Spring Hill Board of Mayor and Aldermen that the existing Letter of Credit for Chapman’s Crossing Subdivision, Phase 2 in the amount of \$218,089.00 is hereby released.

Passed and adopted this 18th day of January, 2011.



Michael Dinwiddie, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Timothy P. Underwood, City Attorney

**RESOLUTION 11-02 OF THE
PLANNING COMMISSION
OF THE CITY OF SPRING HILL, TENNESSEE**

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CHAPMANS CROSSING SUBDIVISION – PHASE 2**

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topping to all streets with 1 ½ inches of hot mix asphalt; and*

WHEREAS, to date, the improvements have been constructed and therefore a performance surety is no longer required; and

WHEREAS, it is the recommendation of the Codes Department that the existing Letter of Credit be released in the amount of \$218,089.00; and

WHEREAS, pursuant to Section 3-103 of the Subdivision Regulations, upon completion of the public improvements listed above, the Developer may be required to file a “maintenance” surety guaranteeing performance of the public improvements for an additional one year period with the Planning Commission after the dedication and acceptance of such public improvements by the Board of Mayor and Aldermen.

WHEREAS, the developer is required under Article III, Section 3-102.201 of the Subdivision Regulations to submit an “as-built” survey of the public improvements including storm drainage; and

NOW, THEREFORE BE IT RESOLVED, by the Spring Hill Planning Commission that the existing Letter of Credit for Chapman’s Crossing Subdivision, Phase 2 in the amount of \$218,089.00 is hereby recommended for release by the Board of Mayor and Aldermen.

Passed and adopted this 10th day of January, 2011.

Michael Glass, Chairman

Michael Dinwiddie, Secretary



COMMUNITY FIRST BANK & TRUST

Expect more from your bank.

501 S. James M. Campbell Blvd.
Columbia, TN 38401

Date: August 2, 2010
Letter of Credit No: 01001194
Expiration: February 2, 2011

Town of Spring Hill
199 Town Center Parkway
Spring Hill, TN 37174

Re: Irrevocable Standby Letter of Credit for **Cornerstone Land Company, A Tennessee General Partnership**
Chapman's Crossing Subdivision Phase II

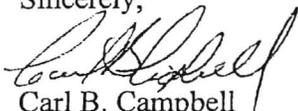
We hereby establish an Irrevocable Letter of Credit for the account of Cornerstone Land Company, developer of Chapman's Crossing Subdivision, a residential subdivision in Spring Hill, TN ("Developer"), in the amount of **Two Hundred Eighteen Thousand Eighty Nine Dollars and no/100----- (\$218,089.00)** available by draft at sight for payment in full for completion of and guarantee maintenance of water, sewer, storm drainage, paving base-binder- curbs and asphalt topping in Chapman's Crossing Subdivision as required by the Town of Spring Hill.

In the event of the failure of the Developer to complete the installation of streets and drainage required by the Town of Spring Hill prior to the expiration date of this instrument the Town of Spring Hill shall notify the Bank in writing. Upon such notification, the Bank shall either renew the Letter of Credit for a term acceptable to the Town of Spring Hill or pay the amount set forth above to the Town of Spring Hill. In case of default, Community First Bank & Trust hereby irrevocably agrees to pay the sum of Two Hundred Eighteen Thousand Eighty Nine Dollars and no/100-- (\$218,089.00) for the improvements to be completed on behalf of the Town of Spring Hill in conjunction with this Project. The Town of Spring Hill agrees to refund to Community First Bank & Trust any amounts not expended by the Town of Spring Hill to complete the unfinished requirements of the said Project.

It is understood and agreed that this in no way limits the liability of the developer for any costs in addition to Two Hundred Eighteen Thousand Eighty Nine Dollars and no/100----- (\$218,089.00)

This agreement automatically terminates on February 2, 2011.

Sincerely,


Carl B. Campbell
Senior Vice President/CCO

Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Documentary Credits(1993 Revision). Internal Chamber of Commerce Publication No. 500.

BOND INFORMATION SHEET

Site Name: **Chapmans Crossing Ph. 2**

Type of Bond:	Letter of Credit	Original Bond Amount:	\$218,089	Type of Action Requested:
Bond #:	1001194	Current Bond Amount:	\$218,089	Bond Renewal <input type="checkbox"/>
Bond Issued:	2-Aug-10	25% of Original Amount:	\$54,522	Bond Reduction <input type="checkbox"/>
Expiration Date:	2-Feb-11	(Per Section 3-102.202 of Sub. Regs)		Bond Release <input checked="" type="checkbox"/>

Past Actions

Date:	Type of Action:	Amount:	Reason:
7/19/2010	Renew	218,089	Renew until Final Walk Thru items are completed

Required Installation

Streets	
Binder Installed:	Yes
Road Base:	Stone
Compaction Test Submitted:	N / A
Curb Installed:	Yes
Street Lights Installed:	Yes
Street Signs Installed:	Yes
Final Topping installed:	No <i>Yes</i>
Side Walks Required:	Yes

Sewer	
Sewer Line Installed:	Yes
Sewer Line Tested:	2/3/2005
Pump Station Required:	No
"As Built" Drawings Submitted:	Yes
Meets City Specifications:	Yes

Storm Water Drainage System	
System Installed:	Yes
"As Built" Drawings Submitted:	No
Meets City Specifications:	Yes

Water	
Water Line Installed:	Yes
Water Line Tested:	9/9/2004
"As Built" Drawings Submitted:	Yes
Meets City Specifications:	Yes

City of Spring Hill
199 Town Center Parkway
P.O. Box 789
Spring Hill, TN 37174
Phone: 931.486.2252 ext. 211
Fax: 931.486.3596



For additional information, send inquiries to:
Beau Herring (bherring@springhilltn.org)

APPLICATION FOR BOND

PROJECT NAME: Chapman Crossing PHASE: 2 SECTION: _____
OF LOTS APPROVED: 20 # OF LOTS REMAINING: 0
BOND TYPE: _____ MAINTENANCE _____ PERFORMANCE BOND LETTER OF CREDIT
_____ CASHIER'S CHECK _____ CASH
BOND AMOUNT: \$ 218,089.00 EXPIRATION DATE: _____
AUTOMATIC RENEWAL CLAUSE INCLUDED WITH BOND: Y/N
PURPOSE OF BOND: _____

NAME OF BONDING COMPANY: Community First Bank BOND #: 1001194
CONTACT PERSON: Sean Hart EMAIL: shhart@c1fbk.com
ADDRESS: 501 S. James Campbell Blvd. CITY, STATE, ZIP: Columbia, TN 38402
PHONE NUMBER: 931-490-3429 FAX NUMBER: 931-490-3447

NAME OF OWNER/DEVELOPER OR REPRESENTATIVE: _____
ADDRESS: 201 East Main Street Suite 300 CITY, STATE, ZIP: Murfreesboro, TN 37130
PHONE NUMBER: 615-896-0019 FAX NUMBER: 615-896-9380
EMAIL: jbeavers@alesouth.com

ACTION REQUEST

I (WE) REQUEST THAT THE FOLLOWING ACTION BE TAKEN ON THIS AGREEMENT:

- ESTABLISH NEW BOND
 - REQUEST FINAL INSPECTION AND RELEASE OF BOND
 - REQUEST REDUCTION OF BOND AMOUNT
 - REQUEST EXTENSION OF BOND FOR (1) YEAR
- (PLEASE PROVIDE PROOF OF DIFFICULTY BELOW)

EXPLANATION FOR PROOF OF DIFFICULTY: Everything is complete and ready for a release

Sean Hart 12/13/10
Applicant Signature / Date

CHECKLIST

Information for Planning Commission Packets

Deadline: 12-13-10

Development: Chapman's Crossing ph. 2

Draft Resolution 11-02

Bond Information Sheet

Copy of Bond

Copy of Recorded Plat or Aerial

Developer Request for Reduction NA

Cost Estimate for Reduction NA

Correspondence

Initial Letter

Bond Recon Complete

Bond Application Form

Inspection Log (for new bonds) NA

~~Copies of Packet Completed~~

1 copy to April

*2 final walk-throughs
Permit - ok.
Subdivision traffic
only!*

**REQUEST
RELEASE!**

with Jason Beavers

Memorandum

To: Spring Hill Planning Commission

CC: Victor Lay

From: Chris Brooks and Paula Hepp

Date: January 7, 2011

Re: Chapman's Crossing Update

Planning Commission Members,

Chris Brooks had a phone conversation with Jason Beavers, representative for Ole South Builders regarding the performance letter of credit versus a maintenance letter of credit.

Jason Beavers has restated his position that:

1. The improvements have been completed in accordance with the regulations and that he is entitled to have the performance letter of credit released.
2. He has never been required to post a maintenance surety in the past.
3. He is a builder in good standing with the City and should not be required to post a maintenance surety.

The City staff would offer the following:

1. According to Article III, Section 3-103 of the Subdivision Regulations, it is not a requirement that a maintenance surety be posted as it states "The applicant may be required to file a maintenance bond..."
2. BOMA Resolution 10-63 dated July 19, 2010, indicated that the letter of credit was to be renewed for a 12 month period and in fact was renewed for only a 6 month period.
3. BOMA Resolution 10-63 dated July 19, 2010, indicated that "the Developer will be required to file a maintenance bond for a one-year period...after the dedication and acceptance of such public improvements..."

If the Planning Commission recommends release of the performance surety to the BOMA, the following items, listed in the current Subdivision Regulations, should be considered prior to the February 2, 2011 expiration of the letter of credit:

January 7, 2011

1. City Codes Department will provide a Certificate of Satisfactory Completion to Developer.
2. Developer must submit an Offer of Dedication to the City to be approved by BOMA.
3. "As-Built" survey submitted by applicant's engineer pursuant to Article III, Section 3-102.201.

The Planning Commission should use the above information to come to a decision on this matter. The critical item would be the approval of the Offer of Dedication by BOMA through recommendation by the Planning Commission.

Sincerely,

Chris Brooks
Building Official

Paula Hepp
Codes Department