



CITY OF WENATCHEE

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DEPARTMENT OF PUBLIC WORKS PRE-APPROVED PLANS POLICY

Policy G-8: City of Wenatchee Development Financial Securities Policy

Development Securities Policies

Wenatchee City Code (WCC) 9.01.030 Maintenance Security

Whenever an individual installs public utility or right-of-way improvements or private storm drainage improvements exceeding \$10,000 in value, the construction of the improvements shall be guaranteed to be free of defects for at least eighteen (18) months after final inspection by the City. The owner of the improvements shall post a maintenance security with the City of Wenatchee Public Works Department per the procedures identified in the most current edition of the adopted Pre-approved Plans and Policies on file with the Public Works Department.

Value of Improvements:

Each development project is unique and has a different dollar value of Public Improvements and private storm drainage improvements installed with the project.

In order for the City to determine the value of the improvements installed with the project, the developer's engineer shall submit an *Improvement Evaluation Packet* prior to issuance of the associated permit to install the improvements. The *Improvement Evaluation Packet* will be used to establish the value of improvements (public and private), the value of the Performance Security (when required) and the value of the Maintenance Security. The Improvement Evaluation Packet shall be reviewed and approved by the City Engineer or their designee.

Performance Securities for Incomplete Improvements:

Title 11 of the WCC provides criteria for when public improvements or the private storm drainage system cannot be completed per city code and agreed upon conditions, the City will allow a financial Performance Security to be posted to warrant that the work will be completed and ensure the City can finish the improvements should the applicant default on the agreement.

The initial term of the Performance Security shall be one year. The City Engineer may set the initial term for longer than a year or allow for one-year extensions provided that extenuating circumstances justify a longer performance security duration.

The dollar value of the Performance Security will be determined by the using the value of the incomplete improvements taken from the Improvement Evaluation Packet and City Construction Inspector approval. The performance security amount shall be 150% of the estimated value of incomplete work. The 50% increase is to provide an adequate security to cover unforeseen or increased costs due to things such as inflation, construction management, mobilization, change orders, engineering and survey costs, etc.

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There are certain improvements that the City will require to be installed in lieu of allowing a Performance Security to be posted. As an example, if new single-family homes are under construction in a subdivision, the utilities and street improvements needed to serve the subject single-family homes need to be completed and a performance security for these improvements will generally not be allowed. The City will work with each developer on project by project basis to determine what improvements can be covered by a Performance Security.

Maintenance Securities for Public Street and Utility Improvements and Private Storm Drainage Improvements:

Most permitted development projects within the City of Wenatchee are required to install various public right-of-way and utility improvements (Public Improvements) and private storm drainage improvements. After the Public Improvements have passed an 18-month maintenance period, the City owns and maintains them. In addition, the private storm drainage improvements are maintained by the property owner (or HOA) after they have passed the 18-month maintenance period.

Any project that installs at least \$10,000 of public street improvements, public utility improvements, or private storm drainage improvements shall post an 18-month Maintenance Security when the work receives final inspection and acceptance by the City. The Maintenance Security ensures that the installed improvements are maintained and free from defects for at least 18 months after final acceptance. The City may require the maintenance security to be extended beyond 18 months if there is on-going work on the project which could damage the improvements.

The dollar value of the Maintenance Security will be determined by the using the value of the incomplete improvements taken from the Improvement Evaluation Packet. The Maintenance Security amount shall be 20% of the estimated value of the improvements as determined by the *Improvement Evaluation Packet*.

The City will re-inspect the improvements at the end of the 18-month maintenance period and provide a list of deficiencies that shall be corrected prior to releasing the Maintenance Security.

If any required corrections exceed \$10,000 in value, the City may require the developer to post a new maintenance security for an additional 18-months to ensure the repaired improvements were installed correctly. The dollar value of the new Maintenance Security will be 20% of the value of the repaired improvements as determined by the Improvement Evaluation Packet.

Security Types:

The table below outlines the type of securities and dollar value threshold for each type of security

Security/Value	\$0-\$3,000	\$3,001-\$10,000	\$10,001 & up
Cash Deposit with City	X	X	X
Assignment of Bank Account		X	X
Assignment of Loan Proceeds		X	X
Surety Bond			X