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# PLANNING

Planning is a Division of the Department of Planning & Development Services

## GUARANTEES OF PERFORMANCE

### *What is a performance agreement, and when is it required?*

A performance agreement consists of a statement by the subdivider that he/she agrees to provide all the site improvements required, & is accompanied by a form of financial guarantee.

### *What are the different forms of financial guarantee that can be provided?*

Once an estimate of improvements has been made & approved by the City Engineer, one of the following types of guarantees may be submitted to satisfy conditions of infrastructure improvements:

- Performance Bond - A performance bond will be executed by a surety company, licensed to do business in the State of Texas.
- Letter of Credit - The subdivider may provide an irrevocable letter of credit.
- Cash or Cashier's Check - The subdivider may provide cash in the exact amount, or a cashier's check.

### *What restrictions are applicable to the recording of a plat when a Performance Guarantee is in place?*

When a performance guarantee is in place the following restrictions will apply:

- Construction of Improvements – If, within a period of three (3) years after the plat has been approved, the subdivider has constructed and has had all required improvements accepted by the City Engineer, the plat will be released so that it may be filed in the deed and plat records of the County, & the method of guarantee released or refunded.
- Guarantee of Improvements – Within a period of three (3) years after the plat has been approved, if all site improvements have not been completed, but a suitable security covering those uncompleted improvements has been filed, the plat will be released so that it may be filed in the deed and plat records of the County.
- No guarantee may be for a period of time exceeding eighteen (18) months and no guarantee may be for a period of time extending beyond three (3) years from the date of plat approval.

### *Are there other requirements which may apply to unique situations wherein a performance guarantee is required?*

Yes – for more information on these more nuanced scenarios, please consult Ch. 6 of the Subdivision Ordinance.