



MEMORANDUM

CITY OF MANASSAS
 Department of Community Development
 Development Services Division
 Phone: 703-257-8278 Fax: 703-257-5831

Following is a list of the documents required for Agreements and Bonds:

Performance Agreement Form	Erosion Agreement Form
Surety (Bond) Form	
Letter of Credit (Bond) Form	Letter of Credit (Bond) Form
Cash/Check (Bond)	Cash/Check (Bond)

For erosion control bonds, the City will only approve a Letter of Credit or Cash/Check. Each Agreement requires only one form of security (Bond).

The City's Bonds and Agreement Page can be found at
<http://manassascity.org/index.aspx?NID=823>

Frequently Asked Questions

Q: What is the difference between a Bond and an Agreement?

A: The Bond is a form of guarantee for the Agreement. The Agreement is a contract between the Developer and City Council and stipulates when the work required by the site plan will be completed. The Bond serves to guarantee that the public improvements, as well as the requirements of the site plan, are completed in a timely manner. All initial Agreements run for 18 months. Agreements expire but Bonds can only expire if formal notification is provided to the City 30 days prior to expiration by the Surety. Failure to receive such notice shall automatically extend the bond.

Q: What happens if either the Agreement or the Bond expires?

A: Agreements can be extended by City's Bond Committee after receipt of a written request by the developer no less than thirty days prior to the expiration date of the agreement. If the agreement expires with no extension request, the agreement and development go into technical default. If the City gets notification of an imminent Bond expiration, the City calls the Bond.

Q: Why do I need to provide 2 Bonds?

A: Two types of bonds are required for site development. The performance bond and agreement is provided for site improvements required by the City as well as improvements proffered during the rezoning process. The Erosion Control Bond and agreement is provided for the construction and maintenance of required erosion and sediment control devices as specified on the approved plans. The Performance Bond can be in the form of a surety, letter of credit, or cash, and can be incrementally reduced as completion of the public improvements is accepted by the City. The Erosion and Sediment Control Bond can only be in the form of a letter of credit or cash as the funds need to be readily accessible in the event of necessary repair to the erosion and sediment control measures. Erosion Control Bonds cannot be reduced.

Q: Why do I need to extend Agreements?

A: Unlike the Bond, Agreements expire when the estimated date of completion stated on the agreement has lapsed. When an Agreement expires, the Agreement, plan, and site permit are in technical default. This oversight may prevent you from obtaining new Agreements or permits on other developments. The initial agreement period is 18 months.

Q: How do I extend my Agreements?

A: Send a letter to the Bond Administrator, 9027 Center Street, Suite 201, Manassas, VA 20110. Your letter must contain your name, email address, phone number(s), the official name on the approved plans, and the plan number. It is critical to state your new date of completion with an explanation of why the extension is necessary. The first request for an extension may be for a period not to exceed three years. In approving the extension, City staff will consider the percent of the project completed; the City's estimated cost to complete the project, complaints lodged against the developer, if any; the number of homes already completed, occupied and served by public facilities; and the rate of construction activity. After the initial extension, if no substantial construction has been initiated, further extensions may be conditioned upon submission of plans which conform to current standards, as well as any adjustment required in the bond amount to reflect current construction costs. Prior to approval, the Bonds Administrator will confirm that the rating of the surety or bank continues to be acceptable.

Q: When can I get my Performance Agreement and Bond released?

A: When formally requested, the Performance Bond can be released if all the improvements shown on a site plan are completed and a Site Plan As-built is approved. Bond release cannot occur unless the public facilities have been accepted by the State or local agency responsible for maintenance and all required fees have been paid.

Q: When can I get my Erosion Agreement and Bond released?

A: When the entire limits of the site plan are stabilized in conformance with the Design and Construction Standards Manual, or, generally, 95% germination.

Q: How do I request Bond Release?

A: Send a letter to the Bond Administrator, 9027 Center Street, Suite 201, Manassas, VA 20110. Your letter must contain your name, email address, phone number(s), the official name on the approved plans, and the plan number.

Q: Once I have formally requested Bond release, what can I expect?

A: Within 30 days of the formal request, you will receive notification from the Bond Administrator, by letter or email, advising you of any work remaining (this will include the inspectors' punch list). Provided that the Site Plan As-built is approved, notification that the City is processing the bond release will be sent to you.

Q: How long does it take the City to return a released Agreement and Bond?

A: After Development Services has authorized the bond release request, a formal request will need to be approved by City Council during one of their regular meetings. Regular meetings are typically twice a month; therefore, from a formal request to documents back in your hands, it generally takes 60 days.

Q: How do I obtain a [Performance Bond reduction](#)?

A: Send a letter to the Bond Administrator, 9027 Center Street, Suite 201, Manassas, VA 20110. Your letter must contain your name, email address, phone number(s), the official name on the approved plans, and the plan number. With the request, the owner must provide an engineer's estimate of the percent of work completed. Current City cost data shall be used in compiling the estimate.

Q: How much Performance Bond reduction can be expected?

A: The City will permit bond reductions in these increments: 20%, 40%, 60% or 80%. The Site Inspector verifies the engineering estimate of completed work and establishes the appropriate reduction in the increments stated above. The City shall not be required to execute more than three reductions in any twelve month period, and no reductions shall be approved if the performance agreement is in default.

Q: How long does it take to obtain a Bond Reduction?

A: Within 30 days of receipt of the reduction request, you will receive notification from the Bond Administrator, by letter or email, advising of concurrence or the work remaining. The Bond Administrator works with the inspector to provide the owner a confirmation of the reduction amount or the amount proposed by the City. It will be the applicant's responsibility to obtain a rider from the surety for the reduced bond amount.

Q: Can my Erosion Bond be reduced?

A: The City of Manassas Design and Construction Standards Manual does not allow the reduction of Erosion and Sediment Control Bonds.

Q: Who can I speak to regarding any of these issues?

A: Contact the Development Services Bond Administrator at 703-257-8204.