



City of Phoenix

DEVELOPMENT SERVICES DEPARTMENT

CONSTRUCTION ASSURANCE ON RIGHT-OF-WAY PERMITS

Chapter 31 and 32 of the Phoenix City Code mandates that the customer provide an "assurance" of construction to the City of Phoenix. The assurance guarantees that improvements will be installed in accordance with approved plans and that the customer will provide record drawings. The secured amount is determined by the customer's civil engineer and approved by the Development Services Department, pursuant to the current Fee Schedule/Appendix A.2. of the Phoenix City Code.

Posting of construction assurances is a pre-condition to obtaining final construction plan approval and release of right-of-way construction permits. Posting of construction assurances is also a pre-condition for final approval of site plans, subdivision plats, abandonments, lot divisions, offsite improvements compliance, plat recording, and related development activities.

If a customer defaults, some forms of construction assurance may be used to complete the improvements, while other methods stop the project and/or deny occupancy.

ASSURANCE INSTRUMENTS

Cash

Cash/check shall be deposited with the Development Services Department in an amount equal to the cost of the work to be done in the right-of-way, pursuant to the current Fee Schedule/Appendix A.2. of the Phoenix City Code. Upon permit acceptance by the offsite inspector and submittal of required as-built plans, the cash bond will be refunded. Allow four to six weeks for the refund to be processed. Samples and more detailed requirements of the following Instruments are attached:

Chapter 31 Performance Bond

Bond shall be executed with a corporation accepted by the Development Services Department and duly authorized to transact surety business in the State of Arizona. Bond shall be in an amount equal to the cost of the work to be done in the right-of-way. Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the bond will be returned to the bond/insurance company. Allow two weeks for this process.

"Letter of Credit"

This "Letter" may be acquired from a bank and form approved by the Development Services Department. The letter shall specify an amount equal to the cost of the work to be done in the right-of-way. Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the letter will be returned to the issuing bank. Allow two weeks for this process.

"Occupancy Clearance Agreement"

At the discretion of the Development Services Department, the "Agreement" is an acceptable form of assurance on those projects involving building construction. The agreement form may be acquired through Development Services. An officer of the company or an authorized representative of the developer/owner must sign the form.. This agreement withholds final utility clearance, thus withholding occupancy of the building(s). Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the "hold" can be released within one week. This agreement is attached to the parcel, and subsequent owners are subject to its provisions.

"Infrastructure Clearance Agreement"

At the discretion of the Development Services Department, the "Agreement" is an acceptable form of assurance on those projects involving infrastructure construction (water, sewer, streets and street appurtenances, and landscaping in the right-of-way). The agreement form may be acquired through Development Services. The form must be signed by an officer of the company or an authorized representative of the developer/owner and recorded with the Maricopa County Assessor's Office. The agreement withholds issuance of any building permits. Upon permit acceptance by the offsite inspector and submittal of any required as-built plans, the "hold" can be released within one week. This agreement is attached to the parcel and subsequent owners are subject to its provisions.

Additional questions regarding bonding requirements may be addressed to the Development Services Department, Financial Services Section, (602) 262-5026.

This publication can be made available in alternate formats (Braille, large print, computer diskette, or audiotape) upon request. Contact the Development Services Department at (602) 262-7811 (voice) or (602) 534-5500 (TTY).