

## ARTICLE 11 PROVISIONS APPLICABLE TO BOTH SITE PLANS AND SUBDIVISIONS

### 11-1 IMPROVEMENT GUARANTEES.

Prior history includes Ord. Nos. 581 and 98-1149.

#### 11-1.1 Guarantees Required; Surety; Release.

Before filing a final subdivision plat or recording a minor subdivision deed or as a condition of final site plan approval or as a condition to the issuance of a zoning permit pursuant to subsection d. of N.J.S.A. 40:55D-65, a developer shall furnish a performance guarantee, and provide for a maintenance guarantee in accordance with paragraphs a. and b. of this subsection.

a.

1. The developer shall furnish a performance guarantee in favor of the Borough in an amount not to exceed 120% of the cost of installation of only those improvements required by an approval or developer's agreement, ordinance, or regulation to be dedicated to a public entity, and that have not yet been installed, which cost shall be determined by the Borough Engineer, according to the method of calculation set forth in section 15 of P.L.1991, c.256 (C.40:55D-53.4), for the following improvements as shown on the approved plans or plat; streets, pavement, gutters, curbs, sidewalks, street lighting, street trees, surveyor's monuments, as shown on the final map and required by "the map filing law," P.L.1960, c.141 (C.46:23-9.9 et seq.; repealed by section 2 of P.L.2011, c.217) or N.J.S. 46:26B-1 through N.J.S.46:26B-8, water mains, sanitary sewers, community septic systems, drainage structures, public improvements of open space, and any grading necessitated by the preceding improvements.

A successor developer must furnish a replacement performance guarantee, as a condition to the approval of a permit update under the State Uniform Construction Code, for the purpose of updating the name and address of the owner of property on a construction permit,

The Borough Engineer shall prepare an itemized cost estimate of the improvements covered by the performance guarantee, which itemized cost estimate shall be appended to each performance guarantee posted by the obligor.

2. A performance guarantee shall include, within an approved phase or section of a development privately-owned perimeter buffer landscaping, as required by Borough ordinance or imposed as a condition of approval.

At the developer's option, a separate performance guarantee may be posted for the privately-owned perimeter buffer landscaping.

3. In the event that the developer shall seek a temporary certificate of occupancy for a development, unit, lot, building, or phase of development, as a condition of the issuance thereof, the developer shall furnish a separate guarantee, referred to herein as a "temporary certificate of occupancy guarantee," in favor of the Borough in an amount equal to 120% of the cost of installation of only those improvements or items which remain to be completed or installed under the terms of the temporary certificate of occupancy and which are required to be installed or completed as a condition precedent to the issuance of the permanent certificate of occupancy for the development, unit, lot, building or phase of development and which are not covered by an existing performance guarantee. Upon posting of a "temporary certificate of occupancy guarantee," all sums remaining under a performance guarantee, required pursuant to subparagraph (a) of this paragraph, which relate to the development, unit, lot, building, or phase of development for which the temporary certificate of occupancy is sought, shall be released. The scope and amount of the "temporary certificate of occupancy guarantee" shall be determined by the zoning officer, Borough Engineer, or other municipal official designated by ordinance. At no time may the Borough hold more than one guarantee or bond of any type with respect to the same line item. The "temporary certificate of occupancy guarantee" shall be released by the zoning officer, Borough Engineer, or other municipal official designated by ordinance upon the issuance of a permanent certificate of occupancy with regard to the development, unit, lot, building, or phase as to which the temporary certificate of occupancy relates.
4. A developer shall furnish to the Borough a "safety and stabilization guarantee," in favor of the Borough. At the developer's option, a "safety and stabilization guarantee" may be furnished either as a separate guarantee or as a line item of the performance guarantee. A "safety and stabilization guarantee" shall be available to the Borough solely for the purpose of returning property that has been disturbed to a safe and stable condition or otherwise implementing measures to protect the public from access to an unsafe or unstable condition, only in the circumstance that:
  - (a) site disturbance has commenced and, thereafter, all work on the development has ceased for a period of at least 60 consecutive days following such commencement for reasons other than force majeure, and
  - (b) work has not recommenced within 30 days following the provision of written notice by the Borough to the developer of the Borough's intent to claim payment under the guarantee. The Borough shall not provide notice of its intent to claim payment under a "safety and stabilization guarantee" until a period of at least 60 days has elapsed during which all work on the development has ceased for reasons other than force majeure. The Borough shall provide written notice to a developer by certified mail or other form of delivery providing evidence of receipt.

The amount of a "safety and stabilization guarantee" for a development with bonded improvements in an amount not exceeding \$100,000 shall be \$5,000.

The amount of a "safety and stabilization guarantee" for a development with bonded improvements exceeding \$100,000 shall be calculated as a percentage of the bonded improvement costs of the development or phase of development as follows:

\$5,000 for the first \$100,000 of bonded improvement costs, plus two and a half percent of bonded improvement costs in excess of \$100,000 up to \$1,000,000, plus one percent of bonded improvement costs in excess of \$1,000,000.

The Borough shall release a separate "safety and stabilization guarantee" to a developer upon the developer's furnishing of a performance guarantee which includes a line item for safety and stabilization in the amount required under this paragraph.

The Borough shall release a "safety and stabilization guarantee" upon the Borough Engineer's determination that the development of the project site has reached a point that the improvements installed are adequate to avoid any potential threat to public safety.

b.

1. The developer shall post with the Borough, prior to the release of a performance guarantee required pursuant to paragraph a, 1., paragraph a,2, or both paragraphs a,1. and a,2., a maintenance guarantee in an amount not to exceed 15% of the cost of the installation of the improvements which are being released.
  2. If required, the developer shall post with the Borough, upon the inspection and issuance of final approval of the following private site improvements by the Borough Engineer, a maintenance guarantee in an amount not to exceed 15% of the cost of the installation of the following private site improvements: stormwater management basins, in-flow and water quality structures within the basins, and the out-flow pipes and structures of the stormwater management system, if any, which cost shall be determined according to the method of calculation set forth in section 15 of P. L.1991, c. 256 (C.40: 55D-53.4).
  3. The term of the maintenance guarantee shall be for a period not to exceed two years and shall automatically expire at the end of the established term.
- c. In the event that other governmental agencies or public utilities automatically will own the utilities to be installed or the improvements are covered by a performance or maintenance guarantee to another governmental agency, no performance or maintenance guarantee, as the case may be, shall be required by the Borough for such utilities or improvements.

- d. The time allowed for the bonded improvements for which the performance guarantee has been provided may be extended by the Governing Body by resolution. As a condition or as part of any such extension, the amount of any performance guarantee shall be increased or reduced, as the case may be, to an amount not to exceed 120% of the cost of the installation, which cost shall be determined by the Borough Engineer according to the method of calculation set forth in section 15 of P.L.1991. c.256 (C.-10:55D-53.4) as of the time of the passage of the resolution.
- e. If the required bonded improvements are not completed or corrected in accordance with the performance guarantee, the obligor and surety, if any, shall be liable thereon to the Borough for the reasonable cost of the improvements not completed or corrected and the Borough may either prior to or after the receipt of the proceeds thereof complete such improvements. Such completion or correction of improvements shall be subject to the public bidding requirements of the "Local Public Contracts Law," P.L.1971, c.198 (C 40A: 11-1 et seq.).

f.

1. Upon substantial completion of all required street improvements (except for the top course) and appurtenant utility improvements, and the connection of same to the public system, the obligor may request of the Governing Body in writing, by certified mail addressed in care of the Municipal Clerk, that the Borough Engineer prepare, in accordance with the itemized cost estimate prepared by the Borough Engineer and appended to the performance guarantee pursuant to paragraph a. of this subsection, a list of all uncompleted or unsatisfactory completed bonded improvements. If such a request is made, the obligor shall send a copy of the request to the Borough Engineer. The request shall indicate which bonded improvements have been completed and which bonded improvements remain uncompleted in the judgment of the obligor. Thereupon the Borough Engineer shall inspect all bonded improvements covered by obligor's request and shall file a detailed list and report, in writing, with the Governing Body, and shall simultaneously send a copy thereof to the obligor not later than 45 days after receipt of the obligor's request.
2. The list prepared by the Borough Engineer shall state, in detail, with respect to each bonded improvement determined to be incomplete or unsatisfactory, the nature and extent of the incompleteness of each incomplete improvement or the nature and extent of, and remedy for, the unsatisfactory state of each completed bonded improvement determined to be unsatisfactory. The report prepared by the Borough Engineer shall identify each bonded improvement determined to be complete and satisfactory together with a recommendation as to the amount of reduction to be made in the performance guarantee relating to the completed and satisfactory bonded improvement, in accordance with the itemized cost estimate prepared by the Borough Engineer and appended to the performance guarantee pursuant to paragraph a. of this subsection.

g.

1. The Governing Body, by resolution, shall either approve the bonded improvements determined to be complete and satisfactory by the Borough Engineer, or reject any or all of these bonded improvements upon the establishment in the resolution of cause for rejection, and shall approve and authorize the amount of reduction to be made in the performance guarantee relating to the improvements accepted, in accordance with the itemized cost estimate prepared by the Borough Engineer and appended to the performance guarantee pursuant to paragraph a. of this subsection. This resolution shall be adopted not later than 45 days after receipt of the list and report prepared by the Borough Engineer. Upon adoption of the resolution by the Governing Body, the obligor shall be released from all liability pursuant to its performance guarantee, with respect to those approved bonded improvements, except for that portion adequately sufficient to secure completion or correction of the improvements not yet approved; provided that 30% of the amount of the total performance guarantee and "safety and stabilization guarantee" posted may be retained to ensure completion and acceptability of all improvements. The "safety and stabilization guarantee" shall be reduced by the same percentage as the performance guarantee is being reduced at the time of each performance guarantee reduction.

For the purpose of releasing the obligor from liability pursuant to its performance guarantee, the amount of the performance guarantee attributable to each approved bonded improvement shall be reduced by the total amount for each such improvement, in accordance with the itemized cost estimate prepared by the Borough Engineer and appended to the performance guarantee pursuant to paragraph a. of this subsection, including any contingency factor applied to the cost of installation. If the sum of the approved bonded improvements would exceed 70 percent of the total amount of the performance guarantee, then the Borough may retain 30 percent of the amount of the total performance guarantee and "safety and stabilization guarantee" to ensure completion and acceptability of bonded improvements, as provided above, except that any amount of the performance guarantee attributable to bonded improvements for which a "temporary Certificate of Occupancy guarantee" has been posted shall be released from the performance guarantee even if such release would reduce the amount held by the Borough below 30 percent.

2. If the Borough Engineer fails to send or provide the list and report as requested by the obligor pursuant to paragraph f. within 45 days from receipt of the request, the obligor may apply to the court in a summary manner for an order compelling the Borough Engineer to provide the list and report within a stated time and the cost of applying to the court, including reasonable attorney's fees, may be awarded to the prevailing party.

If the Governing Body fails to approve or reject the bonded improvements determined by the Borough Engineer to be complete and satisfactory or reduce the performance guarantee for the complete and satisfactory improvements within 45 days from the receipt of the Borough Engineer's list and report, the obligor may apply to the court in a summary manner for an order compelling, within a stated time, approval of the complete and satisfactory improvements and approval of a reduction in the performance guarantee for the approvable complete and satisfactory improvements in accordance with the itemized cost estimate prepared by the Borough Engineer and appended to the performance guarantee pursuant to paragraph a. of this subsection; and the cost of applying to the court, including reasonable attorney's fees, may be awarded to the prevailing party.

3. In the event that the obligor has made a cash deposit with the Borough or approving authority as part of the performance guarantee, then any partial reduction granted in the performance guarantee pursuant to this subsection shall be applied to the cash deposit in the same proportion as the original cash deposit bears to the full amount of the performance guarantee, provided that if the developer has furnished a "safety and stabilization guarantee," the Borough may retain cash equal to the amount of the remaining "safety and stabilization guarantee".
- h. If any portion of the required bonded improvements is rejected, the approving authority may require the obligor to complete or correct such improvements and, upon completion or correction, the same procedure of notification, as set forth in this section shall be followed.
- i. Nothing herein, however, shall be construed to limit the right of the obligor to contest by legal proceedings any determination of the Governing Body or the Borough Engineer.

j.

1. The obligor shall reimburse the Borough for reasonable inspection fees paid to the Borough Engineer for the foregoing inspection of improvements; which fees shall not exceed the sum of the amounts set forth in paragraphs a. and b. The Borough may require the developer to post the inspection fees in escrow in an amount:
  - (a) not to exceed, except for extraordinary circumstances, the greater of \$500 or 5% of the cost of bonded improvements that are subject to a performance guarantee under paragraph a., paragraph b., or both paragraphs a. and b. and
  - (b) not to exceed 5% of the cost of private site improvements that are not subject to a performance guarantee under paragraph a.1., which cost shall be determined pursuant to section 15 of P. L.1991, c. 256 (C40:55D-53.4).
2. For those developments for which the inspection fees total less than \$10,000, fees may, at the option of the developer, be paid in two installments. The initial amount deposited in escrow by a developer shall be 50% of the inspection fees. When the balance on deposit drops to 10% of the inspection fees because the amount deposited by the developer has been reduced by the amount paid to the Borough Engineer for inspections, the developer shall deposit the remaining 50% of the inspection fees.
3. For those developments for which the inspection fees total \$10,000 or greater, fees may, at the option of the developer, be paid in four installments. The initial amount deposited in escrow by a developer shall be 25% of the inspection fees. When the balance on deposit drops to 10% of the inspection fees because the amount deposited by the developer has been reduced by the amount paid to the Borough Engineer for inspection, the developer shall make additional deposits of 25% of the inspection fees.

4. If the Borough determines that the amount in escrow for the payment of inspection fees, as calculated pursuant to paragraphs a.1. or a.2., is insufficient to cover the cost of additional required inspections, the Borough may require the developer to deposit additional funds in escrow provided that the Borough delivers to the developer a written inspection escrow deposit request, signed by the Borough Engineer, which: informs the developer of the need for additional inspections, details the items or undertakings that require inspection, estimates the time required for those inspections, and estimates the cost of performing those inspections.
- k. In the event that final approval is by stages or sections of development pursuant to subsection a. of section 29 of P.L.1975, c.291 (C.40: 55D-38), the provisions of this section shall be applied by stage or section.
- l. To the extent that any of the improvements have been dedicated to the Borough on the subdivision plat or site plan, the municipal Governing Body shall be deemed, upon the release of any performance guarantee required pursuant to subsection a. of this section, to accept dedication for public use of streets or roads and any other improvements made thereon according to site plans and subdivision plats approved by the approving authority, provided that such improvements have been inspected and have received final approval by the Borough Engineer.

(Ord. No. 2018-1765)

## **11-2 OFF-TRACT IMPROVEMENTS.**

Contribution for off-tract water, sewer, drainage, and street improvements. The governing body may by ordinance adopt regulations requiring a developer, as a condition for approval of a subdivision or site plan, to pay the pro-rata share of the cost of providing only reasonable and necessary street improvements and water, sewerage and drainage facilities, and easements therefor, located outside the property limits of the subdivision or development off-tract but necessitated or required by construction or improvements within such subdivision or development. Such regulations shall be based on circulation and comprehensive utility service plans pursuant to MLUL at N.J.S.A. 40:55D-42, respectively, and shall establish fair and reasonable standards to determine the proportionate or pro-rata amount of the cost of such facilities that shall be borne by each developer or owner within a related and common area, which standards shall not be altered subsequent to preliminary approval. Where a developer pays the amount determined as his pro-rata share under protest he shall institute legal action within one (1) year of such payment in order to preserve the right to a judicial determination as to the fairness and reasonableness of such amount. (Ord. No. 581 § 11-1.2; Ord. No. 98-1149 § 1 Art. 11)

## **11-3 RESERVATIONS OF PUBLIC AREAS.**

### **11-3.1 Reservation of Streets, Drainageways, Etc., Time Limited.**

If the Master Plan or the Official Map provides for the reservation of designated streets, public drainageways, flood control basins, parks or other public areas within the proposed development before approving a site plan or subdivision, the Board may further require that such streets, drainageways, basins or areas be shown on the plan in locations and sizes suitable to their intended uses. The Board may reserve the location and extent of such streets, drainageways, basins or areas shown on the plan for a period of one (1) year after the approval of the final plan or within such further time as may be agreed to by the developer. Unless during such period or extension thereof, the Borough shall have entered into a contract to purchase or instituted condemnation proceedings according to law for the fee or a lesser interest in the land comprising such streets, drainageways, basins or areas, the developer shall not be bound by such reservations shown on the plan and may proceed to use such land for private use in accordance with applicable development regulations. The provisions of Section 11-3 shall not apply to the streets and roads, flood control basins or public drainageways necessitated by the land development and required for final approval. (Ord. No. 581 § 11-3.1)

### **11-3.2 Compensation for Temporary Reservation.**

The developer shall be entitled to just compensation for actual loss found to be caused by such temporary reservation and deprivation of use. In such instance, unless a lesser amount has previously been mutually agreed upon, just compensation shall be deemed to be the fair market value of an option to purchase the land reserved for the period of reservation; provided that determination of such fair market value shall include but not be limited to consideration of the real property taxes apportioned to the land reserved and prorated for the period of reservation. The developer shall be compensated for the reasonable increased cost of legal, engineering or other professional services incurred in connection with obtaining Site Plan or Subdivision Approval caused by the reservation. (Ord. No. 581 § 11-3.2)

## **11-4 DEVIATION, FIELD CHANGES.**

**11-4.1** A deviation as defined in this chapter from the final plan may be approved by the Approving Authority having granted final approval provided that:

- a. The developer has requested the deviation and submitted all required supporting documents and data.
- b. If required, all concerned federal, state, county and municipal agencies or officials have in writing either granted approval or waived consideration thereof.
- c. The Approving Authority shall act at a meeting open to the public.

**11-4.2** A general field change as defined in this chapter from the preliminary plan may be approved by the Approving Authority having granted preliminary approval provided that:

- a. The developer has requested the general field change and submitted all required supporting documents and data.
- b. If required, all concerned federal, state, county and municipal agencies or officials have in writing either granted approval for the change or waived consideration thereof.
- c. The Approving Authority shall act at a meeting open to the public.

**11-4.3** A technical field change as defined in this chapter from the preliminary or final plan may be approved by an authorized Borough Official without reference to the Approving Authority provided that:

- a. A copy of the written authorization is forwarded and filed immediately with the Approving Authority, Borough Engineer and Building Subcode Official.

**11-4.4** Any deviation or field change authorized by this section shall be appropriately noted on a subdivision or site plan plat and become a part thereof. (Ord. No. 581 § 11-4)