



If you have further questions, you may call Washington County's Department of Land Use and Transportation, Land Development Division, at **503-846-8761** or visit us on the web at [www.co.washington.or.us/dev\\_serv](http://www.co.washington.or.us/dev_serv).

# Land Development Services Financial Assurances for Public Improvements *Frequently Asked Questions*



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*Developers submitting land development applications to Washington County are required to make certain financial deposits to protect the public interest. This brochure answers the most frequently asked questions about these deposits.*

## 1 Administration Deposit

### *What is it?*

The Administration Deposit is a cost recovery account, money that pays for county services provided to the developer. See insert for fee schedule.

### *What is it used for?*

The Administration Deposit covers a variety of costs.

- The County's Engineering Division is reimbursed for plan review and approval.
- Traffic Engineering is reimbursed for plan review, approval and field inspections.
- Construction Management is reimbursed for field inspections and as-built approval.
- Assurances is reimbursed for project administration and Facility Permit issuance.
- The County's Survey Road Section is reimbursed for County Road establishments.

The Administration Deposit is an **estimate** of what it will cost to provide service for a development. The deposit is used to fund staff time spent on a project application. These funds are monitored; if they appear to be running low, additional funds may be requested to cover remaining time left on the project. If there are any unspent funds, they are refunded to the applicant upon close out. The county's goal is to estimate as closely as possible the actual cost to avoid billing for deficits or refunding large amounts.

**PLEASE NOTE:** *Any point of contact with county staff can be a chargeable cost.*

- If project plans are not complete or do not comply with county standards and codes, it will cost more.

- There is a charge to cover the cost of every inspection.
- Every phone call or visit into county offices may be chargeable, whether the person is the applicant/representative or a member of the general public questioning the project.

## 2 Financial Assurance Deposit

### *What is it?*

The Financial Assurance Deposit is money Washington County requires developers to deposit in an account in order to assure that their development/construction work is done according to county code. It protects the public interest in a situation where a developer does not perform work as promised.

There are two phases to the Financial Assurance agreements:

- The **Public Improvement Contract (PIC)** covers the actual construction phase. This money is held until the construction is inspected and approved. It is guaranteed to be refunded in full (and with interest if requested for a cash deposit) once the construction is accepted.
- The **Maintenance Agreement** is assurance money set aside to be sure the improvement comes through a maintenance/warranty period (typically one year) intact. This amount is 10% of the Public Improvement Contract above. Once this maintenance assurance money is received and construction is approved, the original PIC is released and that money is refunded. The Maintenance Agreement holds the money (the 10%) for a minimum of one year (the warranty period). If any improvement fails or becomes unsafe, the signer of the contract is responsible for repairs.

### *What is the difference between the Financial Assurance Deposit and the Administration Deposit?*

- The Financial Assurance Deposit is refunded in full upon project construction acceptance and close out.
- The Administration Deposit can require the developer to submit more funds to supplement the original deposit if the balance becomes low. When the final accounting is done, upon close out of the file, the developer will either receive a bill for the deficit of the account or a refund of the surplus funds.

### *How long will Washington County hold my funds?*

- The credit balance of the Administration Deposit will be held until the final accounting is done after the last inspection of the maintenance period.
- The Financial Assurance for the Public Improvement Contract will be held until acceptance of construction and documentation. The Financial Assurance for the Maintenance Period will be for a minimum of one year.

### *Can money be transferred from the Financial Assurance Deposit account to cover deficits in the Administration Deposit account?*

Yes, but only by the express written authorization of the applicant. The county is unable to move money from one account to another without written authorization by the applicant for a number of reasons:

- The money deposited into these accounts belongs to the applicant.
- Most applicants track all their project expenses and their books will not balance if the county moves the money from one account to the other.
- Different parties may be involved in the projects, even if the same developer is the main contact, and the county would not be aware of all those involved.