BOROUGH OF HILLSDALE
ORDINANCE NO. 18-16
(Adoption)

AN ORDINANCE TO AMEND CHAPTER 310, PART 5 OF THE CODE OF THE BOROUGH OF HILLSDALE ENTITLED, "SUBDIVISION AND SITE PLAN REVIEW"

BE IT ORDAINED by the Mayor and Council of the Borough of Hillsdale, County of Bergen, State of New Jersey, as follows:

Chapter 310, Part 5 of the Code of the Borough of Hillsdale, Subdivision and Site Plan Review, Sections 310-119, 310-120, 310-121 and 310-122, be and are hereby repealed in their entirety and replaced by the following:

ARTICLE XXVII

Performance and Maintenance Guarantees.

§310-119. Developer's Agreement.

With respect to all applications for subdivision and site plan approval, the Borough of Hillsdale Planning Board shall condition any such approval upon the execution of a developer's agreement between the Borough of Hillsdale Planning Board (the "Board") and the applicant specifying, in part, off-site, on-tract or off-tract improvements, public improvements, bonding requirements, escrow requirements, other conditions imposed by the Borough and such other terms and conditions as the Borough deems appropriate. The Board may waive the requirement of a developer's agreement in appropriate circumstances. Unless so waived, no certificate of occupancy or building permit shall be issued respecting any application for development requiring subdivision or site plan approval unless the applicant has entered into a developer's agreement of a form specified herein.

§310-120. Furnishing of performance guarantees; improvements.

A. Before filing of final subdivision plats or recording of minor subdivision deeds 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 Section 52 of P.L. 1975, c. 291 (C.40:55D-65), or as a condition of 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 shall require and shall accept in accordance with the standards set forth hereinbelow and regulations adopted pursuant to Section 1 of P.L. 1999, c. 68 (C. 40:55D-53a) for the purpose of assuring the installation and maintenance of certain on-tract improvements, the furnishing of a performance guarantee, and provision for a maintenance guarantee as set forth in this Section.

(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:

(a) Streets.
(b) Pavement.
(c) Gutters.
(d) Curbs.
(e) Sidewalks.
(f) Street lighting.
(g) Street trees.
(h) 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.A. 46:26B-1 through N.J.S.A. 46:26B-8.
(i) Water mains.
(j) Sanitary sewers.
(k) Community septic systems.
(l) Drainage structures.
m) Public improvements of open space; and
(n) Any grading necessitated by the preceding improvements.

(2) The developer shall also furnish a performance guarantee to include, within an approved phase or section of a development, privately-owned perimeter buffer landscaping, as required by the Borough Code or imposed as a condition of approval. At a developer's option, a separate performance guarantee may be posted for the privately-held perimeter buffer landscaping.

(3) 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.

§310-120.1. Safety and Stabilization.

A. The developer shall also 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:

(1) 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.

(2) 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.

(3) 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 the developer by certified mail or other form of delivery providing evidence of receipt.

(4) 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.

(5) The amount of a "safety and stabilization bond 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:

(a) $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

(b) One percent of bonded improvement costs in excess of $1,000,000.

(6) 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.

(7) The Borough shall release a "safety and stabilization guarantee" upon the Borough Engineer's or other municipal official's (designated by ordinance) 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.

§310-120.2. Temporary Certificate of Occupancy; Guarantee.

A. 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 previously furnished by the developer 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 Borough Engineer or such other municipal official designated by ordinance. The "temporary certificate of occupancy guarantee" shall be released by the 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.

§310-120.3 Acceptance of Performance Guarantee from Successor Developer.

A. The Borough may accept a performance guarantee in favor of the municipality from a successor developer as a replacement for a performance guarantee that was previously furnished, pursuant to section 41 of P.L. 1975, c.291 (C.40:55D-53), for the purpose of assuring the installation of improvements. The Borough shall not accept a replacement performance guarantee without securing:

(1) written confirmation from the new obligor that the intent of the new obligor is to furnish a replacement performance guarantee, relieving the predecessor obligor and surety, if any, of any obligation to install improvements, and

(2) written verification from the Borough engineer that the replacement performance guarantee is of an amount sufficient to cover the cost of the installation of improvements, but not to exceed 120% of the cost of the installation, which verification shall be determined consistent with section 41 of P.L. 1975, c.291 (C.40:55D-53).

B. An approving authority shall notify the governing body whenever it accepts a replacement performance guarantee. Notice shall contain a copy of the written confirmation of the new obligor's intent to furnish a replacement performance guarantee and the municipal engineer's written verification of the sufficiency of the amount of that replacement performance guarantee.

C. Within 30 days after receiving notice from the approving authority of its acceptance of a replacement performance guarantee, the governing body, by resolution, shall release the predecessor obligor from liability pursuant to its performance guarantee.

§310-121. Maintenance Guarantee.

A. Prior to the release of a performance guarantee required pursuant to this Section, the developer shall post with the Borough a maintenance guarantee in an amount

not to exceed 15% of the cost of the installation of the improvements which are being released.

(1) 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, 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):

(a) Stormwater management basins;

(b) In-flow and water quality structures within the basins; and

(c) The out-flow pipes and structures of the stormwater management system, if any.

(2) 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.

§310-121.1. Other Agencies; Utilities.

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.

§310-121.2. Regulations Concerning Performance Guarantees.

A. The time allowed for installation of 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. 40:55D-53.4) as of the time of the passage of the resolution.

B. 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.).

C. 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 Borough 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 this Section, 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.

(1) 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 subsection a. of this section.

(2) 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 this Section. 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.

(3) For the purpose of releasing the obligor from liability pursuant to its performance guarantee, the amount of the performance guarantee attributable to each approved bond 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 subsection a. of this section, 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 all 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.

(4) If the Borough Engineer fails to send or provide the list and report as requested by the obligor pursuant to this Section 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.

(5) 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 this Section; and the cost of applying to the court, including reasonable attorney's fees, may be awarded to the prevailing party.

(6) 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."

D. 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.

E. Nothing herein 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.

§310-122. Regulations Concerning Inspection Fees.

A. 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 hereinbelow. The Borough shall require the developer to post the inspection fees in escrow in an amount:

(1) Not to exceed, except for extraordinary circumstances, the greater $500 or 5% of the cost of bonded improvements that are subject to a performance guarantee under this Section; and

(2) Not to exceed 5% of the cost of private site improvements that are not subject to a performance guarantee under this Section, which cost shall be determined pursuant to Section 15 of P.L. 1991, c. 256 (C. 40:55D-53.4).

B. 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.

C. For those developments for which the inspection fees are 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.

D. If the Borough determines that the amount in escrow for the payment of inspection fees, as calculated hereinabove, is insufficient to cover the cost of additional required inspections, the developer shall deposit additional funds in escrow. In such instance, the Borough shall deliver 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.

§310-122.1. Approved by Stages or Sections.

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.

§310-122.2. Dedication of Improvements to Borough.

To the extent that any of the improvements have been dedicated to the Borough on the subdivision plat or site plan, the 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.

Nothing in this Ordinance shall be construed to affect any suit or proceeding impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or Ordinance hereby repealed pursuant to this Ordinance, nor shall any just or legal right or remedy of any character be lost, impaired or affected by this Ordinance.

The various parts, sections and clauses of this Ordinance are hereby declared to be severable. If any part, sentence, paragraph, section or clause is adjudged unconstitutional or invalid by a court of competent jurisdiction, the remainder of the Ordinance shall not be affected thereby.

All Ordinances of parts of Ordinances inconsistent herewith are hereby repealed as to such inconsistencies only.

In the event that any word, phrase, clause, section or provision of this Ordinance is found by any Court of competent jurisdiction to be unenforceable, illegal or unconstitutional, such word, phrase, clause or provision shall be severable from the balance of this Ordinance and the remainder of this Ordinance shall remain in full force and effect.

This Ordinance shall take effect upon passage and publication as provided by Law.

Council member	Motion	Second	Yes	No	Absent	Abstain	Recuse
DeRosa, Anthony		X	X				
Horvath, Zoltan			X				
Karcich, Scott	X		X				
Lundy, Abby			X				
Pizzella, Frank			X				
Segalas, Steven			X				
Ruocco, John							

Adoption: June 12, 2018

Attest: Denise Kohan
Denise Kohan
Municipal Clerk

John Ruocco
Mayor