



Delaware City Council
South Sandusky St.
Delaware, OH 43015

February 28, 2022

Mayor Riggle, Vice Mayor Shafer & Members of Council,

Thank you for your consideration of an ordinance to amend Chapter 1111.17 (e) to alter the provisions for maintenance bonds for public improvements in the City.

The BIA appreciates the City's staff's support and the Planning Commission's approval that has brought this ordinance before Council.

This ordinance would change the current Subdivision Regulation requirement for acceptance of a public improvement of a maintenance bond equal to 20% of the cost of the public improvements. The requirement under the ordinance would be 10% of the cost of the public improvements.

- To our knowledge, Delaware is an outlier and is the only Central Ohio jurisdiction to require something other than 10% of construction cost. We believe there is little to no value in return for the increased cost of the additional 10%. This cost gets passed along to homeowners. Given the challenges of affordability and access to new homes in today's marketplace, now is an especially appropriate time to consider this change.
- Additionally, we believe that it has been over two decades since the City called a bond on any project. Two decisive factors combine to explain why the use of these bonds is so rare. First, the City's construction standards, inspection program during construction, and plan/permit approval processes create a comprehensive framework to ensure a quality outcome. And on the private sector side, should a company have been involved in a construction project where a bond is called, the marketplace for future bonding reacts, and it becomes exponentially more difficult and expensive to get future bonding on any project in any jurisdiction. There is a great incentive for companies not to be identified with the risk associated with their public improvements.

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We appreciate the City's attention to this issue. Please do not hesitate to let me know if there are any questions or additional information that the BIA of Central Ohio can provide.

Best Regards,

A handwritten signature in black ink, appearing to read "Jon Melchi".

Jon Melchi

Executive Director

BIA of Central Ohio

jon@biahomebuilders.com

CC: Tom Homan, City Manager

Elaine McCloskey, Clerk of Council

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