

## MEMORANDUM

To: City Council

From: David J. Deutsch  
City Manager

Subject: Letter of Credit for Off-Site Woodland Conservation Bank – R-54-09

Date: July 29, 2009

The Prince George's County Code requires that the City provide afforestation of eight acres in connection with the construction of the new City Hall. The City has identified the Hopkins property, owned by the City, as the mitigation site for the City Hall project. The City has already entered into a contract with a company to properly prepare this site for mitigation, by treating for invasive plant species, and then for planting and maintaining this afforestation area. This site has been approved by the Maryland-National Capital Park and Planning Commission as a mitigation site.

One of the requirements of the afforestation agreement is that the City obtain a Performance Bond or Letter of Credit in the amount of \$104,544. The Performance Bond or Letter of Credit is to ensure that the plant materials will be replaced should they fail. This surety must be held for two full growing seasons with a 70% survival rate of plant material obtained after that period. The City will be monitoring our contractor to ensure that they are providing proper maintenance so that we achieve this 70% survival rate.

In order to receive the Prince George's County Grading Permit for the City Hall project, this Performance Bond or Letter of Credit must be in place. Staff has looked into obtaining a Performance Bond in lieu of posting a Letter of Credit and has determined that obtaining a Letter of Credit would be preferable. If City Council authorizes the issuance of this Letter of Credit, we anticipate that the grading permit would be issued by the middle of August. The total estimated cost to obtain this Letter of Credit is \$2,370.88.

### Staff Recommendation

Because the release of the Grading Permit by Prince George's County is contingent on a Performance Bond or Letter of Credit being issued, staff would urge Council to approve Resolution R-54-09 authorizing the City Manager to obtain from Bank of America an Irrevocable Letter of Credit for the Hopkins Property Off-Site Woodland Conservation Bank.

Attachment

