



City Manager's Office

**CEDAR SPRINGS
ESCROW FUND POLICY**

An Escrow Fund shall be established for all applications for which the City will incur expenses after the effective date of this Resolution, including any applications having received preliminary review or approvals prior to the date of this Resolution. These Escrow Fund amounts shall be in addition to any fees required as part of an application itself. Applications involving the following shall be subject to this Escrow Fund requirement:

- Site Plan reviews, whether by full Planning Commission or Sub-Committee
- Planned Unit Developments (PUD)
- Special Use Permits
- Plats and Site Condo
- Rezoning requests, at the discretion of City officials and staff.
- Variance or interpretation proceedings before the Zoning Board of Appeals where City officials determine that the scope of the project or application will probably require the assistance of the City professionals or involve additional costs.
- Land combination or division applications if the Planning Commission or Zoning Board of Appeals is involved.
- Planning Commission Subcommittees, at the discretion of City officials and staff.
- Any other application that City officials reasonably expect to use professional services in order to render an informed decision.

The Escrow Funds for uses specified will be calculated based on the attached schedule on page 2 of this document. The initial deposit shall be not less than \$500. No application shall be processed prior to the Basic Fee as set forth on page 2 and the initial deposit for the Escrow Fund being deposited with the City Treasurer. Any funds remaining in an Escrow, after the application has been processed to completion, will be refunded to the applicant of record as soon as practicably possible. No interest shall be paid on refunded Escrow Fund money.

Escrow Fee Schedule

Estimated Project Cost (\$)	Escrow Amount (\$)
0 – 10,000	500
10,001 – 100,000	1,500
100,001 – 500,000	3,000
500,001 – 1,000,000	5,000
1,000,001 +	10,000

At no time prior to the City’s completion of review and processing of the application shall the Escrow Fund balance be allowed to drop below \$500.00. If the Escrow Fund balance does drop below \$500.00, the City Treasurer will notify the applicant. The applicant must then deposit an additional amount of at least \$500.00 or such greater amount as determined by the City Treasurer or their designee to be reasonably necessary to cover anticipated remaining or future expenses, or both, to be paid from the Escrow Fund as provided below. No further review and processing of the application will occur until the Escrow Fund has been re-established to the appropriate level, as determined by the City Treasurer or their designee. Non-compliance with payment of expenses or request to deposit additional sums into the Escrow Fund may result in the issuance of a STOP WORK ORDER on the development project.

The City may draw funds from the applicant’s Escrow Fund to reimburse the City for out-of-pocket expenses directly related to review and processing of the application. Expenses eligible for payment via the applicant’s Escrow Fund include, but are not limited to, the following:

1. Services of the City Attorney directly related to the application (including the preparation of development agreements, if applicable)
2. Services of consulting civil engineers directly related to the application
3. Services of consulting traffic engineers and planners directly related to the application
4. Services of consulting land use planners directly related to the application
5. Services of other consulting professionals upon request of the City directly related to the application
6. Additional public hearings and public notices necessitated by the application.
7. Mailings, legal notices and member compensation for special City Council, Board, or Commission meetings and City Council, Board, or Commission subcommittee meetings.

The City Treasurer shall maintain records regarding Escrow Funds and shall authorize the disbursement of Escrow Funds in writing. Such Escrow Fund shall be maintained in a separate line item within the City's General Ledger. If an applicant objects to the reasonableness or amount of the Escrow Amount funds that it must deposit with the City, or how the funds have been applied, the applicant can appeal the City Treasurer's determination regarding these matters to the City Manager. All such appeals shall be in writing and submitted no later than thirty (30) days after receipt of the disputed Escrow Fund billing or the decision of the City Treasurer or their designee.

If an additional deposit into an Escrow Fund is required, as provided in this Resolution, and has not been deposited, the matter may be removed from the current agenda of the Planning Commission, the Zoning Board of Appeals, or the City Council, as applicable, and the matter shall be adjourned until such time as the required fees are deposited into the Escrow Fund, or an appeal of the matter has been decided in favor of the applicant. This decision shall be made by the City Manager or by a vote of the majority of the applicable Board, Commission or Council.

No building permit or final City approval or permit shall be granted for an application until all outstanding out-of-pocket costs and expenses incurred by the City as specified above have been reimbursed to the City from the Escrow Fund.

This Escrow Fund Policy may be applied to any current and ongoing development projects as of the date of the adoption of this Policy and shall be applied to all future development projects.