



## **Bond, Letter of Credit, or Cash Surety**

**Township of Acme, Grand Traverse County, Michigan**

6042 Acme Road, Williamsburg, MI 49690

Phone: (231) 938-1350 Fax: (231) 938-1510 Web: [www.acmetownship.org](http://www.acmetownship.org)  
Planning & Zoning Administrator: Lindsey Wolf Email: [zoning@acmetownship.org](mailto:zoning@acmetownship.org)

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### **INFORMATION REGARDING REQUIREMENT OF A BOND, LETTER OF CREDIT, OR CASH SURETY FOR A SPECIAL USE PERMIT**

Acme Township generally requires that an applicant, as part of the requirements of a Special Use Permit, provide a Bond, Letter of Credit, or Cash Surety to Acme Township. Most applicants find that it is easier to provide a Letter of Credit, as opposed to a Bond or Cash Surety; normally, a Letter of Credit is easiest for an applicant to obtain. A Letter of Credit can generally be obtained from the financial institution that the applicant is dealing with. The following answers some of the common questions raised by applicants:

1. **Form of Letter of Credit.** Attached is a form Letter of Credit. Financial institutions issuing the Letter of Credit, should issue it in a form similar to the attached. The Letter of Credit must be approved by Acme Township's Attorney prior to Land Use Permit issuance.
2. **Amount of Letter of Credit.** The Letter of Credit should be in an amount sufficient to insure the completion of the exterior development, including landscaping, paving, lighting, drainage and irrigation. It is helpful if the applicant can obtain an estimate form their contractor showing the costs to complete the above mentioned items, and present it to Acme Township so the amount can be agreed to.
3. **Length of Letter of Credit.** Normally the Letter of Credit should last for a year. This will insure that the development is completed, prior to the Letter's expiration. If the development is completed prior to the expiration date of the Letter of Credit, Acme Township, upon request, may notify the financial institution and the Letter of Credit can be canceled. If the Letter of Credit is written for too short a period of time, Acme Township is faced with the necessity of having to draw on the Letter of Credit if the development and the improvements are not completed by the date specified in the Letter. This would neither be in the applicant's or Acme Township's interests.

If the applicant has any questions about the required Letter of Credit, Bond or Cash Surety, they can contact the Acme Township Planning Office, at (231) 938-1350.