Options for obtaining “Bonds” for construction
(Tree bonds are held for 3 years past completion of the Building Permit or Site Development Permit, whichever is later.)

1. Bonds
   + Limited up front cost = % of bond value
   – Requires up front equity = bond value
   – Requires periodic renewal and cost
   – Difficult to obtain for first time developer

2. Letter of Credit
   + Minimum up front cost
   + Limits expense for obtaining permit
   + Good option if quickly transferring liability to contractor or property buyer
   – Requires up front equity
   – Liability on credit for “Bonding” period

3. Certificate of Deposit
   – Up front capital loss = to full value of “bond”
   + Interest earned on capital
   + Capital returned at end of “Bonding” period

4. Cash Deposit with City
   – Up front capital loss = to full value of “bond”
   – No interest earned on cash deposit
   + Capital returned at end of “Bonding” period
   + No cost