

ORDINANCE

An Ordinance to amend Section 16.070 of the Manitowoc Municipal Code regulating Razing of Buildings.

The Mayor and Common Council of the City of Manitowoc do ordain as follows:

Section 1. Section 16.070 is amended to read as follows:

“16.070 Razing of Buildings.

...

(4) Irrevocable Letter of Credit or Alternative Forms of Security. Any application for a permit to engage in the razing of buildings within the City shall be accompanied by an irrevocable letter of credit which meets the following requirements **either:**

(a) an irrevocable letter of credit which meets the following requirements:

- ~~(a)~~ **(1)** In an amount no less than 120 percent of the estimated project cost;
- ~~(b)~~ **(2)** Name the City as a beneficiary;
- ~~(c)~~ **(3)** Be irrevocable and unconditional;
- ~~(d)~~ **(4)** Be conditioned for payment to the City solely upon presentation of the letter of credit and a sight draft, which shall direct the issuing lending institution to pay the City without any explanation, affidavit or documentation;
- ~~(e)~~ **(5)** Expire not earlier than one year after completion of the last act by permittee of demolition or salvage (unless the one-year period is waived or modified by the Common Council), or after the expiration of a permit issued under this section to the permittee, whichever is later;
- ~~(f)~~ **(6)** Issued by a company certified by the State to conduct such business within Wisconsin.

The irrevocable letter of credit shall be a guarantee of performance by the permittee. The City Attorney shall act as the reviewing authority for the letter of credit. The letter of credit shall be delivered to the attention of the City Attorney, who may reasonably require a greater amount on a case-by-case basis, where deemed necessary to protect the City. In considering the amount of the irrevocable letter of credit, the City Attorney shall consider: (1) the recommendation, if any, of the Inspection Supervisor; (2) the expertise of the applicant; (3) the applicant’s work history; (4) the capitalization of the applicant; (5) the scope of the proposed project; (6) the possible environmental hazards that could be created or currently exist; (7) the effect of the proposed operation on the surrounding neighborhood; and (8) the cost of remediation on the City, should the City have to address any matter due to the unwillingness or inability of the permittee to complete its obligations: **or**

(b) A letter from a financial institution attesting that the Contractor has sufficient funds to cover the cost of the project, provided:

(1) The City Attorney reviews and approves the letter.

(2) The Inspection Supervisor reviews and approves the letter.

For the purposes of this section, it must be noted that an irrevocable letter of credit is preferred and that an attesting letter will be acceptable in limited circumstances.

...”

Section 2. This ordinance shall take effect the day after publication.

INTRODUCED _____ ADOPTED_____

Justin M. Nickels, Mayor

Fiscal Impact:	Anticipated no greater than \$100 for ordinance publication and code update costs of which are appropriated in the 2024 adopted budget. No additional tax levy or 2024 budget amendments.
Funding Source:	1100-15100-532100
Finance Director Approval:	/SMA
Approved as to form:	/EGN

This Ordinance was drafted by Eric G. Nycz, City Attorney