



MAYOR
JON MITCHELL

CITY OF NEW BEDFORD DEPARTMENT OF CITY PLANNING

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PLANNING BOARD

STAFF REPORT

REPORT DATE

June 2, 2021

PLANNING BOARD MEETING

June 9, 2021

Case #21-18: LOT RELEASE FROM COVENANT

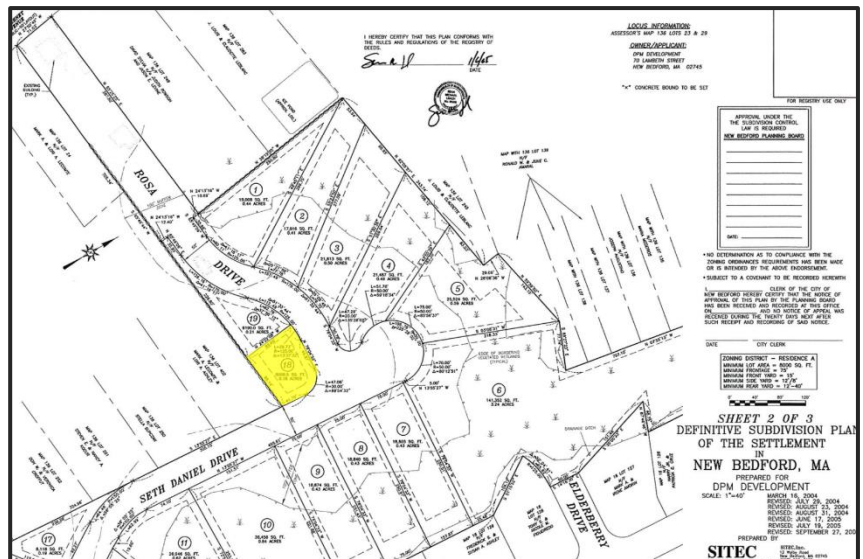
Case #21-19: COVENANT EXTENSION

Property: Rosa Drive
Map: 136 Lots:23, 29, 469-474, 477-487

Zoning: Residential A

Owner: DPM Development Corp. and
Moniz Properties, Inc.
70 Lambeth Street
New Bedford 02745

Applicant: Sitec, Inc.
449 Faunce Corner Road
Dartmouth, MA 02747



Updates since May 12 meeting

The DPI estimate has been received. The DPI estimates the cost of the remaining work at One Hundred and Ninety Thousand Dollars (\$190,000). The estimated value of a subdivision lot is Fifty Thousand Dollars (\$50,000), meaning the estimated value of the 2 lots remaining under covenant is One Hundred Thousand Dollars (\$100,000), or Ninety Thousand Dollars (\$90,000) less than the cost estimate. Therefore, the applicant has proposed to provide a bond of Ninety Thousand Dollars (\$90,000), in addition to the remaining covenant, to cover the cost difference.

Additionally, the covenant for the Settlement Subdivision has expired. Therefore, the applicant is now seeking to extend the covenant to June 30, 2023.

Overview

The applicant seeks a partial release of covenant for the definitive subdivision known as The Settlement. The request is for the release of one (1) lot from covenant. The lot requested for release is Lot #18, as shown on the definitive subdivision plan.

Currently three (3) of the total nineteen (19) lots in the subdivision are held under covenant. The applicant seeks the release of the one (1) lot identified within the request, with two (2) lots remaining under covenant.

A covenant is an agreement made between the applicant and the Planning Board that restricts lots in the subdivision from being developed until certain infrastructure and requirements of subdivision approval are met for the project. Covenants are a form of a performance guarantee agreements made to ensure the applicant fulfills their obligations for the construction and build-out of the subdivision infrastructure. The applicant may provide a performance guarantee in one or any combination of the three types of performance guarantees. The types are covenants, cash surety, or bonds. A bond performance guarantee is agreement between the applicant and Planning Board to complete the work as approved. If the applicant fails to meet the requirement of subdivision approval in the time frame specified, the Planning Board may then seek to collect the bond amount from the financial institution holding the bond.

In this instance the applicant now proposes two forms of performance guarantee: 1) covenant, 2) bond.

The applicant has provided a cost estimate of the work remaining to complete the subdivision, which is less than the DPI estimate.

Proposed Reduction

The Department of Public Infrastructure (DPI) has reviewed the work completed thus far at the Settlement Subdivision. DPI provided a cost estimate for completion of the remaining work at One Hundred and Ninety Thousand Dollars (\$190,000). The DPI cost estimate does not include services or work to be completed by utility companies (e.g. Eversource Gas, Eversource Electric, Verizon, or Comcast).

Staff Recommendation

As the DPI estimate provided on May 12 was *greater than* the value of the remaining lots, staff recommends releasing the requested lot and approving the new bond for Ninety Thousand Dollars (\$90,000). We also recommend granting the applicant an extension on the covenant.

Lot Requested for Release: 18

Lots to Remain Under Covenant: 17 and 19

Staff Report prepared by: Michael McCarthy, Staff Planner

Reviewed by: Jennifer Carloni, City Planner