



May 10, 2010

MEMORANDUM

BULLETIN G-03-10

To: All Permit Applicants

From: Thomas H. Goldsbury, P.E., C.B.O., LEED AP
Chief, Building Inspection Division

Subject: **Changes to Escrow Account System**

Previously the Inspector General's Office (IGO) of the City of Jacksonville reviewed the Building Inspection Division's (BID) policies and procedures for handling escrow accounts and recommended various changes to protect the City of Jacksonville as well as the escrow account holder, which include the development of a formal Escrow Account Agreement, written Contractor Escrow Account Policies and Procedures, and that we charge fees to capture the set-up and maintenance of an escrow account. The Office of General Council (OGC) has developed the attached ESCROW ACCOUNT AGREEMENT, as well as reviewed and approved the attached Contractor Escrow Account Policies and Procedures. **Both of these forms must be completed and returned to the BID prior to June 1, 2010.** If the forms are not returned by that date we will assume you no longer wish to use your escrow account, we will close the account and return any remaining funds.

In addition, as noted in Bulletin G-02-10, the Council has approved and the Mayor has signed into law new and revised fees for the BID. These fees include a \$50 fee to open a new escrow account, and a monthly escrow account maintenance fee of \$8.00. Existing accounts will not be charged the \$50 fee, but will be charged the \$8.00/month maintenance fee once computer programming is completed for automatic deduction. I will inform you by bulletin prior to the monthly fee starting. The monthly fee will not be back dated to when the legislation was passed, however, if you would like to close your escrow account please notify Jim Brown by email or at the address below.

Jim Brown
214 N. Hogan St. Room 229
Jacksonville, FL, 32202
JamesB@coj.net

**CITY OF JACKSONVILLE
BUILDING AND INSPECTION DIVISION**

ESCROW ACCOUNT AGREEMENT

THIS AGREEMENT (the "Agreement") is made and executed this ____ day of _____, 20____, by and between the CITY OF JACKSONVILLE, a Florida municipal corporation, ("City"); _____ ("Contractor"); and _____ ("Qualifying Agent").

RECITALS:

- A. Contractor does business with City in connection with Contractor's building construction activities that fall under the jurisdiction of the City's Building Inspection Division ("BID") and is currently the holder of a Contractor's Certificate, as defined in Section 342.103(d) of the Ordinance Code of the City of Jacksonville (the "Code"); and
- B. Qualifying Agent is a "qualifying agent" as that term is defined in Section 342.103(i) of the Code; and
- C. The City imposes certain fees for permits, inspections and other miscellaneous fees, and the City has delegated to BID the duty and responsibility of collecting those fees from Contractor as they become payable throughout the building and permitting process; and
- D. Contractor and City have determined that, in the interest of mutual convenience and operational efficiency, it will benefit City and Contractor to establish an escrow account ("Escrow Account") for Contractor's use in remitting payment of City fees to the City as they become payable; and
- E. City and Contractor wish to enter into this Agreement for the purposes expressed, subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the premises, the mutual benefits to be derived hereunder and other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the parties hereto covenant and agree as follows:

- 1. The above Recitals are ratified and affirmed and are true and correct, and the same are incorporated herein by this reference thereto.
- 2. The funds to be deposited with the City will be deposited in an Escrow Account controlled by BID for the City pending disbursement in accordance with this Agreement. The Escrow Account shall not accrue interest for the benefit of the Contractor or Qualifying Agent.

3. BID has promulgated Contractor Escrow Account Policies and Procedures (the "Escrow Policies and Procedures"), which are attached hereto and made a part hereof by this reference. In the event of any conflict between the terms of this Agreement and the Escrow Policies and Procedures, the terms of this Agreement shall control. Any and all future changes to the Escrow Policies and Procedures shall be communicated to Contractor and Qualifying Agent when published by BID and such changes shall automatically become a part of this Agreement.
4. If Contractor is a corporation, limited liability company, partnership or other legal entity which is not a natural person, this Agreement shall be executed by the President or Vice President if a corporation, the Managing Member or authorized Member if a limited liability company, the general partner of any partnership, or the authorized agent of any other legal entity.
5. City requires all Qualifying Agents to execute this Agreement, including a Qualifying Agent who does not own or hold any interest in Contractor.
6. Contractor and Qualifying Agent, jointly and severally, hereby promise to pay to the City the amount of any negative shortfall which may exist in the Escrow Account upon the closing or termination thereof.
7. Contractor acknowledges and agrees that the City's sole obligation under this Agreement is to act as a depository of the funds for the mutual convenience of the Contractor and City. The City shall not be deemed to be a trustee of the funds and shall not be held to the standards of a fiduciary. However, the City shall exercise ordinary business prudence in its handling of the funds, and the funds shall be held and disbursed by City solely in accordance with the terms of this Agreement and the Escrow Policies and Procedures.
8. In the event of any dispute or litigation between City and Contractor as to the proper disposition of the funds deposited in the Escrow Account, each of the parties shall bear its own costs and attorney's fees through the trial and appeal of any action or in any bankruptcy proceeding. The provisions of this paragraph shall survive the termination of this Agreement.
9. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. No amendment or modification of this Agreement may be made unless the same is reduced to writing and properly executed by all of the parties.
10. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida.
11. This Agreement may be executed in several counterparts, any of which shall be fully effective as an original. The signed counterparts may be combined (or, alternatively, counterpart signature pages may be combined into one or more counterparts of this Agreement), all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth above.

CITY OF JACKSONVILLE:

SIGNED IN OUR PRESENCE:

Signature of 1st witness

Printed name of 1st witness

Signature of 2nd witness

Printed name of 2nd witness

: _____
Signature

Print Name

Title

CONTRACTOR:

SIGNED IN OUR PRESENCE:

Signature of 1st witness

Printed name of 1st witness

Signature of 2nd witness

Printed name of 2nd witness

Print Name of Contractor

By: _____
Signature

Print Name

Title

QUALIFYING AGENT:

SIGNED IN OUR PRESENCE:

Signature of 1st witness

Printed name of 1st witness

Signature of 2nd witness

Printed name of 2nd witness

By: _____
Signature

Print Name

Title

Building Inspection Division Contractor Escrow Account Policies and Procedures

The following policies and procedures will apply to any escrow account ("Escrow Account") established with the Building Inspection Division (BID), Department of Planning & Development. Funds deposited into a BID Escrow Account may be used for fees and charges associated with services rendered by BID.

Overview: BID receives permit applications by a several methods: (1) Walk-in customers; (2) Online web applications; and (3) Faxed applications. If the applicant indicates on the Permit Application that the method of payment will be "Escrow Account", then the BID computer system will verify that sufficient funds are available and the permit fee will be paid and deducted from the existing balance of the Escrow Account. A new account balance will then be generated and made available for the next transaction. Contractors can view their Escrow Account activity and account balance on the "Transactions" tab of their Profile web site.

Escrow Account: Any City of Jacksonville registered contractor may establish an Escrow Account with BID by completing the Escrow Account Application on the reverse side of this form. When the Escrow Account is approved and opened, the registered contractor is the owner of the Escrow Account (the "Account Owner"). All authorized signatures must be provided in the appropriate Section of the Application. **The minimum amount required to establish an Escrow Account is \$300.00.** Changes in authorized signatories can be made by completing a new application with updated signatures for all authorized individuals. All Escrow Account Applications *must* be notarized and the original Application delivered to:

**Building Inspection Division
Room 225 Edward Ball Building
214 North Hogan Street
Jacksonville, Florida 32202. *No copies or faxes will be accepted.***

Terms and Conditions:

1. In addition to the initial \$300.00 required to establish a working account balance, a non-refundable fee of \$50.00 will be charged to open an Escrow Account.
2. Escrow Accounts will **not** accrue interest for the benefit of the Account Owner.
3. Escrow Accounts are subject to maintenance fees of \$8.00 per month, due the first of each month. The monthly charge will be automatically withdrawn from each account. Should the account balance become \$0.00, the account will be made inactive. A \$300.00 deposit is required to re-activate the account.
4. Any outstanding re-inspection fees remaining unpaid for more than a 30-day period shall be deducted from the Escrow Account balance by BID.
5. If the Escrow Account balance is insufficient to cover the cost of a fee, then any further fees must be paid in cash or by credit card until sufficient funds are deposited in the Escrow Account.
6. The City of Jacksonville's FAMIS accounting system contains all official City accounting records. Should there be a discrepancy between FAMIS and the BID permitting system, a reconciliation of the account will be made and account balance corrections will be posted to the Escrow Account. BID will communicate those account balance corrections to the Account Owner. If the account balance is reduced to a negative balance due to such reconciliations, the Account Owner shall deposit sufficient funds within 30 days of notification to bring the account balance up to a minimum of \$0.00.
7. If any Escrow Account balance has a negative balance on more than three (3) occasions during any 90-day period, the Escrow Account will be removed from "active" status to "inactive" status and will not be available for use by the Account Holder.
8. Any Escrow Account in which no activity has occurred for more than one (1) year will be closed and terminated and the account balance will be refunded to the Account Owner at the most recent address on file with BID or at such other address where legal notices may be sent under Florida law.
9. It is the responsibility of the Account Owner to update Escrow Account ownership information. Should an Escrow Account be closed or terminated, final disposition of the Escrow Account balance will be made to the last Account Owner on record with BID, or as otherwise provided by applicable law.

**Escrow Account Application
Building Inspection Division
Jacksonville, Florida**

FOR OFFICE USE ONLY
ESCROW ACCOUNT NO.: _____
DATE: _____

COMPANY NAME: _____

COMPANY ADDRESS: _____

Street Address

City

State

Zip Code

PHONE NUMBERS: Business _____ Cell _____ FAX _____

Must be signed by each authorized agent:

AUTHORIZED SIGNATURES

_____ Signature	_____ Print Name
_____ Signature	_____ Print Name
_____ Signature	_____ Print Name
_____ Signature	_____ Print Name
_____ Signature	_____ Print Name
_____ Signature	_____ Print Name

Must be completed and signed by the Contractor / Company Owner/ Qualifying Agent

I, _____, agree to the terms and conditions contained herein.

Signature: _____ Date: _____

Must be completed and signed by a Notary Public

STATE OF _____ COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20_____,

by _____

(Notary Seal)

Notary Signature: _____

Notary Printed Name: _____

Personally Known _____ OR Produced Identification _____ Type of identification Produced _____