

Security on Subdivision and Development
Agreements

Policy No. **61-001**

has been renumbered

Security on Subdivision and Development
Agreements

Policy No. **P-15-2006**

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TITLE : **SECURITY ON SUBDIVISION AND DEVELOPMENT AGREEMENTS**
- Planning and Development -

RESOLUTION : **032-2006**

ADOPTED : **13 Feb 2006**

SPECIAL NOTES/CROSS REFERENCE :

REVISED :

NEXT REVIEW DATE : **February 2008**

POLICY STATEMENT : Developers wishing to subdivide and service land or undertake major developments in the Town of Westlock shall be required to enter into a Development Agreement with the Town of Westlock and post security to ensure infrastructure is completed in accordance with Town of Westlock Procedures and Design Standards for Development and accepted Engineering practices.

PURPOSE : To establish a fair and equitable method of determining the form and amount of security required of Developers under Development Agreements in order to protect the Town and its ratepayers against costs that may be incurred due to failure on the part of the Developer to complete municipal infrastructure to the Town's standards.

GUIDELINES / PROCEDURES / RESPONSIBILITIES:

1. Security on Development Agreements will be in the amount and form stated below:

Amount: 100% of the expected cost of construction of the local improvements
-- unless provided otherwise elsewhere in this Policy

Estimates of these costs are to be submitted for review and approval by the Town's Engineers. Should the Town's engineers, in consideration of prevailing construction prices at the time of proposed development, in their opinion, deem that the estimates are not sufficient to cover the costs of construction of all the local improvements, the estimated construction cost will be adjusted upward at the discretion of the Town's engineers.

Form: All security will be in the form of an Irrevocable Letter of Credit issued by a chartered bank, Alberta Treasury Branch, Credit Union or other approved financial institution
-- unless provided otherwise elsewhere in this Policy

2. PROCEDURES

The requirements for security will be articulated in the development agreement between the Developer and the Town of Westlock, in the amount and form described above.

At the request of the Developer Council may consider reduced security requirements, upon written evidence being provided by the Developer of:

- a. completion of other projects of a similar or greater size and scope within the municipality, to the Town's standards and specifications, and to the satisfaction of the Town, within the terms of a valid development agreement; or
- b. written confirmation from at least one other municipality, in a form satisfactory to the Development Authority Officer, that the Developer has completed one or more similar projects of at least the same size and scope as the proposed development, in accordance with that municipality's standards and to its satisfaction, within the terms of a valid development agreement.

Reduced security requirements may take the following forms and amounts, at the discretion of Town Council:

Amount: 50% of the expected cost of construction of the local improvements.

Estimates of these costs are to be submitted for review and approval by the Town's Engineers. Should the Town's engineers, in consideration of prevailing construction prices at the time of proposed development, in their opinion, deem that the estimates are not sufficient to cover the costs of construction of all the local improvements, the estimated construction cost will be adjusted upward at the discretion of the Town's engineers.

Form: All security will be in the form of an Irrevocable Letter of Credit issued by a chartered bank, Alberta Treasury Branch, Credit Union or other approved financial institution.

- OR -

Amount: 100% of the expected cost of construction of the local improvements.

Estimates of these costs are to be submitted for review and approval by the Town's Engineers. Should the Town's engineers, in consideration of prevailing construction prices at the time of proposed development, in their opinion, deem that the estimates are not sufficient to cover the costs of construction of all the local improvements, the estimated construction cost will be adjusted upward at the discretion of the Town's engineers.

Form: Encumbrances registered against all lots in the subdivision.



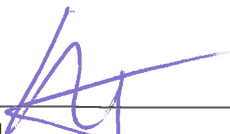
(2. PROCEDURES, contd.)

Timing

The Irrevocable Letter of Credit or such other form of security as may be agreed to by Town Council must be in place prior to endorsement of the Plan of Survey or, in the case of security required as a condition of a Development Agreement issued pursuant to a development permit whereby no subdivision of land is involved, prior to issuance of the Development Permit. The Development Agreement within which the particulars of the security are articulated is to be registered by caveat against the lands at Alberta Land Titles concurrently with the subdivision registration.



Darrell Garceau TOWN MANAGER



Bruce Lennon MAYOR