



Policy Number:	POL-22-100-02
Policy Name:	Subdivision and Development Securities
Related Procedure Number:	N/A
Related Procedure Name:	N/A
Approval Date:	July 20, 2015
Last Revision Date:	July 10, 2015
Last Review Date:	July 10, 2015
Policy Category:	Development Services
Responsible Department:	Engineering, Planning, and Operations

1. Policy Statement

All securities which are presented to the Town of High River (Town) as a condition of the Town's Development approval processes shall be in the form of a Letter of Credit (LOC), a certified cheque, money order, or bank draft.

2. Security Amount

For a Development application that results in the need for a Development Agreement, securities will be calculated as follows:

- A total of 150% of the Estimated Costs of the Offsite Works, plus 25% of the Estimated Costs of the Onsite Works.

For a Subdivision Application, which results in the need for a Development Agreement, securities will be calculated as follows:

- 150% of the Estimated Costs of offsite work.

3. Letter of Credit Requirements

Letters of Credit shall be in a form acceptable to the Town and issued by a chartered bank, credit union or an Alberta Treasury Branch. The issuing institution must have a branch in Calgary, Okotoks, or High River where the LOC can be cashed. All LOCs shall have an auto renewing clause and provide 30 day notice in the event they are not to be renewed. Further requirements for LOCs are detailed within the Subdivision or Development Agreement.

4. Certified Cheque, Money Order, or Bank Draft

A certified cheque, money order, or bank draft must be issued by a chartered bank, credit union or an Alberta Treasury Branch. These submitted securities will be cashed and held by the Town upon receipt.

5. Reduction of Securities

Securities shall be reduced in a manner consistent with the signed Subdivision or Development Agreement. Any reduction shall take into account outstanding work, maintenance for the warranty period, risk, or potential of, improvements not meeting the issued approvals, and level of workmanship observed during the installation of the improvements.

6. Exceptions

An applicant may request for variation in writing to the calculation amount or form to either Council or the Chief Administrative Officer (CAO) or designate. Council or the CAO may also request a variance to the policy resulting in a higher than expected security when a unique circumstance presents itself.

7. Change in Ownership

If a change in ownership occurs and the Subdivision or Development Agreement is transferred to a new party, a new LOC in accordance with this policy and under the new party's name must be provided. A certified cheque, money order or bank draft may be transferred to the credit of a new Developer with written permission and acknowledgement from both parties.

8. Definitions:

"Development" means:

- a) An excavation or stockpile and the creation of either of them; or
- b) A building or an addition to, or replacement or repair of a building and the construction, demolition, removal or placing in, on, over, or under land of any of them; or
- c) A change of use of land or a building or an act done in relation to land or a building that results in or is likely to result in a change in the use of the land or building; or
- d) A change in the intensity of use of land or a building or an act done in relation to land or a building that results in or is likely to result in a change in the intensity of use of the land or building.

"Development Agreement" means a legal agreement between the applicant for a development permit and the Town committing to the provision of utility and infrastructure services and any other matter required by a condition of the development permit.

"Estimated Costs" are the calculation of the total cost as provided in writing by a qualified professional commissioned by the Developer and as agreed to by the Town and shall include construction costs and all construction phase engineering costs.

"Onsite Works" is defined as all work, excluding the building(s), which takes place on the land owned by the applicant (or for an owner represented by the applicant) and would be owned and maintained by the applicant or property owner.

"Offsite Work" is defined as all work that would be owned and maintained by the Town upon the Applicant obtaining Final Acceptance of the work.

"Securities" are payments presented to the Town of High River as a condition of the Town's development approval processes. These payments shall be in the form of a Letter of Credit (LOC), a certified cheque, money order, or a bank draft.

"Subdivision" means any change in the shape or size of a parcel of land registered in a Land Titles Office so as to require a new Certificate of Title issued pursuant to the Land Titles Act.

“Subdivision Agreement” means a legal agreement between the applicant for a subdivision and the Town committing to the provision of a utility and infrastructure services and any other matter required by a condition of the subdivision approval.

9. Special Notes

The calculations are only to obtain a value for the security; actual spending of the security is governed by the Subdivision or Development Agreement and not by the allocations used in this policy.

No interest shall be paid on any security, regardless of its format.

When returning a security paid with a certified cheque, money order, or bank draft, the Town will use a standard cheque. Once a reduction has been agreed to, it may take up to four weeks to have a refund cheque issued by the Town.

Securities provided as certified cheque, money order, or bank draft are for the exclusive use of the Town (subject to the Subdivision or Development Agreement it is associated with) and not for claims from third parties.

10. Reason for Policy

The Municipal Government Act, RSA 2000, Chapter M-26 as amended, provides for a municipality to require the provision of securities to ensure that the terms of an agreement entered into between the municipality and an applicant as a condition of Subdivision or Development approval are carried out.

The reason for the Subdivision and Development Securities policy is to standardize the Town’s requirements for the provision of Development securities, and to ensure that the type of financial instrument accepted is in the most secure form possible to protect the interests of the Town.

Approval

This policy shall come into force and effect upon adoption by Council at a Regular or Special Meeting.

February 8, 2010 Meeting of Council

Resolution # 046/2010

June 28, 2010 Meeting of Council

Resolution # 401/2010

April 8, 2013 Meeting of Council

Resolution #157/2013

July 20, 2015 Meeting of Council

Resolution #303/2015

MAYOR/DEPUTY MAYOR

**CHIEF ADMINISTRATIVE OFFICER/
DIRECTOR OF LEGISLATIVE AND ADMINISTRATIVE SERVICES**

DATE

Revision Date	Section	Purpose of Revision
April 8, 2013	Added Subdivision sections & amended definitions and Special notes	Including Subdivisions to the Policy. Removed the requirements for minimum security.
July 20, 2015	Amended Amounts and Definitions	To clarify definitions of onsite and offsite works, remove provisions for detailed Applicants, and to adjust amounts.