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<b>Responsible Department:</b>	Planning & Development
<b>Council Approval Date:</b>	November 6, 2024
<b>Council Resolution Number:</b>	2024.11.06.30
<b>Statute(s) and Bylaw(s):</b>	MGA, ss. 648, 650, 655; Bylaw 2021-06; Bylaw 21-1114

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## 1. POLICY STATEMENT

To require and manage development securities consistently and equitably to ensure development adheres to the Town's development standards.

### 1.1. Legislative Authority

This policy relates to securities taken under ss. 648, 650, and 655 of the *Municipal Government Act*, RSA 2000, Chapter M-26, as amended.

## 2. PURPOSE

- 2.1. To require a sum of money from a Developer to ensure that financial Security is available if the developer cannot meet their obligations under a Development Permit or a Development Agreement.
- 2.2. To assist Developers, Administration, consulting engineers, and other affected parties in understanding when Security will be required, the amount of Security that must be provided, when the Security will be returned, and when the Security may be drawn upon.

## 3. DEFINITIONS

- 3.1. **Administration** means the operations and employees of the Town, under the direction of the CAO.
- 3.2. **Administrative Directive** means a direction, which may include a procedure, for Administration to perform a task or set of duties. An Administrative Directive, and any related procedures are established by the authority of the CAO.
- 3.3. **Chief Administrative Officer (CAO)** means the person appointed by the Council of the Town to carry out the powers, duties and functions of the Chief Administrative Officer.
- 3.4. **Construction Completion Certificate** means a certificate issued by the Town, in accordance with a Development Agreement, confirming the completion of construction of a Local Improvement.
- 3.5. **Council Policy** means a direction or course of action authorized by Council, which primarily governs the actions of Council or Councillors, but may also direct Administration. Procedures related to Council Policy will be provided to Council for review but are established by the authority of the CAO.
- 3.6. **Developer** means the party entering into a Development Agreement with the Town which must be either
  - a. the registered and equitable owner of the development lands, or

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Handwritten initials 'AD' in blue ink.



- b. the registered owner's representative authorized to apply for a development permit or subdivision.
- 3.7. Development means**
  - a. an excavation or stockpile and the creation of either of them;
  - b. a building or an addition to or replacement or repair of a building and the construction or placing of any of them on, in, over or under land;
  - 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.
- 3.8. Development Agreement means**
  - a. an agreement referred to in sections 648, 650, or 655 of the Municipal Government Act;
  - b. an indemnity agreement;
  - c. a road construction agreement; or
  - d. a servicing deferral agreement.
- 3.9. Development Permit means** a document issued under a land use bylaw and authorizing a Development.
- 3.10. Final Acceptance Certificate means** a certificate issued by the Town, in accordance with a Development Agreement, following the maintenance period confirming acceptance of a Local Improvement.
- 3.11. Local Improvement means** the roadways, public utilities, and other developments defined in the Development Agreement.
- 3.12. Planning and Development Manager means** the person employed by the Town in the role of Planning and Development Manager.
- 3.13. Private Infrastructure means** Local Improvements that do not transfer to the Town upon issuance of a Construction Completion Certificate or Final Acceptance Certificate.
- 3.14. Registration Document means** a document registered with, or to be registered with, the Alberta Land Titles Office in accordance with a Development Agreement, Subdivision Approval, or Development Permit, including but not limited to a plan of subdivision, easement, right of way, caveat, or restrictive covenant.
- 3.15. Security means** the sum of money the Developer provides to the Town and held in trust as it relates to a Development Agreement, Subdivision Approval, or Development Permit.
- 3.16. Subdivision means** the division of a parcel of land by an instrument and "subdivide" has a corresponding meaning.
- 3.17. Subdivision Approval means** the Notice of Decision which approves a subdivision application.
- 3.18. Town means** the incorporated municipality of the Town of Diamond Valley.
- 3.19. Waiver of Security means** the formal written permission from the Town, on the prescribed form, to waive Security requirements per the Subdivision and Development Policy.

#### 4. RESPONSIBILITIES

- 4.1. Council:**
  - a. must approve, by resolution, this policy and any amendments.
- 4.2. Chief Administrative Officer:**
  - a. is responsible for implementing this policy and the administrative procedure pursuant to this policy;
  - b. may delegate their authority pursuant to this policy; and
  - c. must make any conflict of interest known to Council.



- 4.3. Planning and Development Manager:
  - a. will ensure development proceeds in an orderly and economical manner;
  - b. must obtain legal assistance or advice, if necessary, for any non-standard requests regarding the provision, utilization, transfer, or return of Security.
  - c. will ensure Administration is aware of this policy and procedure; and
  - d. will communicate changes and amendments, providing training and documentation on utilizing this policy efficiently and effectively.
- 4.4. Administration:
  - a. must understand and adhere to this policy and procedure;
  - b. must maintain a high legal, ethical, managerial, and professional standard in the management of Securities;
  - c. must make the Planning and Development Manager or CAO aware of any non-standard requests regarding the provision, utilization, transfer, or return of Security;
  - d. must make any conflict of interest known to the Planning and Development Manager or CAO.

## 5. REQUIREMENT FOR SECURITY

- 5.1. The Town must collect Security as part of a Development Agreement or as a condition of a Subdivision Approval, except when waived under section 5 of this policy.
- 5.2. The Town may collect Security as a condition of a Development Permit approval.
- 5.3. Development on the lands subject to a Development Agreement, Subdivision Approval, or Development Permit must not start until after the Town receives any required Security.

## 6. WAIVER OF SECURITY REQUIREMENTS

- 6.1. The Town may waive the Security requirement for Developments associated with Private Infrastructure if the Developer has demonstrated to the Town's satisfaction that:
  - a. the Development is truly private, and Local Improvements will not impact Town assets;
  - b. there is no future transfer of Local Improvements to the Town; and
  - c. the ongoing maintenance requirements for the Private Infrastructure will not be passed on to the Town.
- 6.2. Security may be waived for Town projects when:
  - a. The Town is completing the development with Town staff and equipment; or
  - b. The Town has taken financial security under another means to the satisfaction of the Town.
- 6.3. Securities may not be waived in part.
- 6.4. The CAO or Planning and Development Manager must sign the Waiver of Security.

## 7. AMOUNT OF SECURITY REQUIRED

- 7.1. The amount of Security required depends on the type of Development, including consideration of Local Improvements and construction costs.
- 7.2. Adequate Security must be taken to ensure the Town can complete any outstanding works required for the development if the developer does not/cannot complete the works required of them under their respective Development Agreement(s), Subdivision Approval, or Development Permit.
- 7.3. Securities for a Development Permit that does not require a Development Agreement are defined in the Master Fee Schedule.



7.4. The maximum amount of Security that the Town may require is \$5,000,000.

## 8. RELEASING SECURITIES

- 8.1. Interest accrued on deposited Security is retained by the Town and is not payable to the Developer.
- 8.2. Security may only be partially returned (reduced) when a Development Agreement is in place.
- 8.3. Security may be reduced based on actual construction tender prices submitted by the Developer's Engineer.
- 8.4. Securities may be returned, in part, after the issuance of the Construction Completion Certificate(s).
- 8.5. Security will only be released in part if:
  - a. the release is larger than \$5,000; and
  - b. the Security retained is larger than \$5,000.
- 8.6. Securities must not be released in full except after:
  - a. issuing the Final Acceptance Certificate(s); and
  - b. any Registration Documents have been registered; or
  - c. the conditions of the Development Permit have been met, where no Development Agreement exists; or
  - d. the approval is no longer valid.
- 8.7. A re-inspection of development to confirm compliance with an approval may be subject to an additional fee.

## 9. DRAWING ON AND FORFEITING SECURITIES

- 9.1. If a Developer does not fulfill their obligations under the applicable Development Agreement, Subdivision Approval, or Development Permit, or does not act on requests from the Town to remedy maintenance or safety concerns, then the Town may use the Security collected against the Development to complete the outstanding obligations, maintenance, or address safety concerns to the satisfaction of the Town.
- 9.2. Security may not be used for other obligations such as outstanding taxes or utility bills.
- 9.3. In the event the Developer has deposited a Security with the Town, and the Security is still available after four (4) years after receipt of such security, with no activity (correspondence, etc.) related to the development, the Town may at its option, clear such Security by:
  - a. returning the Security; or
  - b. following the process for the Developer to forfeit the Security.

## 10. TRANSFERRING SECURITY

- 10.1. Transferring Security is permitted under the following circumstances:
  - a. when the Developer changes; or
  - b. from one accepted form to another.
- 10.2. The Town will release a Security after a new Security has been accepted.
- 10.3. Security must not be transferred between a Developer's individual Developments. This includes, but is not limited to, transferring Security between phases, projects, permits, agreements, lands, etc.

## 11. RELATED DOCUMENTS

- 11.1. Subdivision and Development Securities Procedure (Procedure PlanDev-022).

  
MAYOR  
CHIEF ADMINISTRATIVE OFFICER

**POLICY Revision History**

Policy Name	Revision Date	Revision Description	Approved by: Resolution or CAO	Effective Date

