



MACKENZIE COUNTY

REQUEST FOR DECISION

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| Meeting: | Regular Council Meeting |
| Meeting Date: | October 14, 2014 |
| Presented By: | Joulia Whittleton, Chief Administrative Officer |
| Title: | ADDITION Vanguard Realty & Policy DEV003 Multi-Lot/Urban Subdivision Construction and Registration Policy |

BACKGROUND / PROPOSAL:

Council established Policy DEV003 in September 2011. Based on this policy, a developer is required to provide 25% security.

Please review the attached policy.

OPTIONS & BENEFITS:

Vanguard Realty has been developing properties in Mackenzie County for a number of years. Upon new subdivision applications, administration has requested an additional security amount to bring the currently held security to 25%. Since this is a Council policy, administration has no leeway to negotiate with the developer. As indicated in the past by our legal counsel, a municipality should be acquiring 100% security for any new subdivision development in order to avoid potential burden on the municipality as the whole should a developer fails to complete his/her subdivision.

The developer is objecting the County's request and has provided his reasons as follows:

*"Thanks for sending the current policy which I am familiar with.
As you know, insurance companies give you five star ratings and better rates if you have gone accident free over TIME.
Banks increase your credit rating if you have been dependable over TIME.
Businesses extend greater and greater benefits and trust to each other if their relationship has been proven over TIME.*

Author: _____ **Reviewed by:** _____ **CAO** _____ **YW** _____

In the case of the county and Vanguard, we have been doing business together for over 25 years. In all this time, you have never required the use of our security. We have been dependable. As early as 1997 our good relationship was recognized as trustworthy. Out of this good relationship came the long standing agreement we now have with the simple \$100,000 security. Today, after 17 more years of faithfulness, I hope the county would be more than happy to respect this arrangement. I hope if anything, the county would increase its trust of Vanguard who has always been dependable over TIME. On the other hand, rewarding our diligence and trustworthiness by increasing security requirements and by disregarding your existing arrangement with us would be to move in the opposite direction. The current policy is a good starting point, however our relationship isn't just starting. Together, we have TIME on our side as well as a long standing arrangement which should not be superseded by new policy.
Sincerely,
Lyndell Enns"

COSTS & SOURCE OF FUNDING:

NA

COMMUNICATIONS

Administration will communicate Council's decision to the developer.

RECOMMENDED ACTION:

For discussion.

Mackenzie County

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| TITLE | Multi-Lot/Urban Subdivision Construction and Registration Policy | Policy No: | DEV003 |
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| LEGISLATION REFERENCE | Municipal Government Act, Section 83 |
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PURPOSE

Establish steps for the construction and registration of multi-lot and/or urban subdivisions.

POLICY STATEMENT

Mackenzie County receives various requests for the construction and registration of urban and multi-lot subdivisions in within the County. This policy will ensure consistency and clarity in how both urban and multi-lot subdivisions will be constructed and registered.

DEFINITIONS

The following definitions are used for the purpose of this policy:

Guarantee Period - means a period of two (2) years for all Municipal Improvements.

Mackenzie County Administration – means Mackenzie County administrative staff

Multi-lot Subdivision – means the creation of more than two lots out of a rural parcel of land.

Municipal Improvements - means those municipal services and facilities identified and/or referenced in the Development Agreement.

Subsurface – means improvements being constructed or placed below the surface of the ground and intended to be and remain below the surface of the ground.

Surface – means improvements being constructed or placed above or on top of the surface of the ground and intended to be and remain above the surface of the ground.

Urban Subdivision – means the creation of a lot (s) within Hamlet boundaries.

GENERAL PROVISIONS

This policy is intended to be used in conjunction with the requirements of the Municipal Government Act (MGA), the Subdivision and Development Regulations and applicable County Bylaws (including the Land Use Bylaw). Where a conflict exists between this policy and the aforementioned provincial requirements and/or County Bylaws, the provincial requirements and County Bylaws will apply.

This policy addresses how the construction of Municipal Improvements is required to be completed and the steps that are required in order for Mackenzie County to endorse the registration of the subdivision.

SUBDIVISION PHASES

When subdivisions are designed and not all of the lots within the design are being subdivided at the same time, the Development Authority decision will address only the lots within the proposed subdivision and any future lots will be considered and decided upon in future subdivision applications. Municipal Improvements for each phase of subdivision shall be constructed and completed in conjunction with the approved subdivision application. No deferral of Municipal Improvements shall be permitted and the construction of Municipal Improvements outside the approved subdivision phase shall not be permitted.

SUBDIVISION CONSTRUCTION AND REGISTRATION STEPS

The steps outlined in this policy commence only after the subdivision application has been approved by the Subdivision Authority.

1. Provision of subdivision engineered plans by the developer or agent (if agent listed in application) and review of the same by Mackenzie County's engineer.
2. Engineered drawings revised as required by Mackenzie County's engineer and/or Mackenzie County Administration.
3. Development Agreement is drafted by Mackenzie County Administration and signed by the developer and agent (if agent named in application).
4. Provision of separate security for subsurface and surface Municipal Improvements as outlined in the following chart:

| Municipal Infrastructure requiring Security | Form of Security | Amount of Security Required |
|--|---|--|
| Subsurface Municipal Improvements | Irrevocable Letter of Guarantee in a form acceptable to Mackenzie County or a certified cheque. | 25% of total engineered construction costs for subsurface Municipal Improvements |
| Surface Municipal Improvements | Irrevocable Letter of Guarantee in a form acceptable to Mackenzie County or a certified cheque. | 25% of total engineered construction costs for surface Municipal Improvements |

The provision of separate security for subsurface and surface Municipal Improvements will result in separate guarantee periods and separate Final Acceptance Certificates for the same.

5. Payment of all fees as outlined in the Development Agreement.
6. Letter provided to the developer from Mackenzie County's engineer authorizing the construction of Municipal Improvements as outlined in the Development Agreement.
7. Upon completion of all Municipal Improvements as required in the Development Agreement, the developer or agent (if agent listed in application) shall provide written notice to Mackenzie County advising of construction completion and requesting inspection. This written notice shall be prepared by the developers engineer and shall include the total costs of the Municipal Improvements.
8. Inspection of the completed Municipal Improvements by Mackenzie County Administration, Mackenzie County's engineer, the developer and Developers Engineer within sixty days (60) of receipt of the written notice outlined in number 7 above.
9. If, in the opinion of Mackenzie County Administration and Mackenzie County's engineer, the Municipal Improvements meets the minimum standards as referenced in the Development Agreement and/or the County's Engineering Standards, a Construction Completion Certificate (CCC) shall be issued by Mackenzie County's engineer.
10. If, in the opinion of Mackenzie County Administration and Mackenzie County's engineer, the Municipal Improvements do not meet the minimum standards as referenced in the Development Agreement and/or the County's Engineering Standards, a letter shall be provided to the developer advising of the same and the guarantee period will not commence. Steps 7 and 8 shall be completed again until such time as the Construction Completion Certificate is issued. The costs of the second or subsequent construction completion inspection shall be at the cost of the developer.
11. The issuance of the Construction Completion Certificate (CCC) shall commence the two (2) year guarantee period and further result in Mackenzie County Administration endorsing and submitting to the developer's surveyor the subdivision registration documents.
12. During the two (2) year guarantee period, Mackenzie County shall assume normal operation and maintenance (excluding repairs and matters arising from inadequate or deficient design or construction) of the Municipal Improvements. If deficiencies arise during the course of the guarantee period, Mackenzie County Administration or Engineer will provide the developer notice in writing and such deficiencies shall be rectified within 60 days unless otherwise agreed to by Mackenzie County as a result of seasonal conflicts.

13. Construction of any buildings within the subdivision shall not be permitted to commence until the registration of the subdivision by Alberta Land Titles unless otherwise provided for and processed in accordance with a Show Home/Building policy adopted by Council.
14. Prior to the expiry date of the guarantee period, the developer or agent (if agent listed in application) shall request, in writing, an inspection by Mackenzie County of the Municipal Improvements.
15. The final inspection shall involve Mackenzie County Administration, Mackenzie County's engineer, the developer or agent (if agent listed in application) and the developer's engineer.
16. If the final inspection reveals no deficiencies, Mackenzie County's engineer shall issue a Final Acceptance Certificate (FAC). If the final inspection reveals deficiencies, the developer will be required to rectify the deficiencies and repeat steps 14 and 15 above until such time as the Final Acceptance Certificate is issued by Mackenzie County's engineer. The costs of the second or subsequent final inspections shall be at the cost of the developer.
17. In the event that Mackenzie County Administration or Mackenzie County's engineer are of the opinion that any repair or replacement required during the guarantee period is of a major nature, Mackenzie County shall be entitled, in its discretion, to require a further full guarantee period for the specific Municipal Improvement or portion thereof and such further guarantee period shall commence upon Mackenzie County issuing written notice to the developer of its acceptance of the repair or replacement work.
18. Upon the issuance of a Final Acceptance Certificate by Mackenzie County for the Municipal Improvements, the developer hereby acknowledges that all right, title and interest in the Municipal Improvements (excluding facilities owned by private utility companies) located on or under public properties (including utility rights-of-way and easement areas) vests in Mackenzie County without any cost or expense to Mackenzie County, and the Municipal Improvements shall become the property of Mackenzie County.

| | Date | Resolution Number |
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| Approved | 13-Sep-11 | 11-09-737 |
| Amended | 06-Aug-14 | 14-08-533 |
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