

SECURITIES FOR DEVELOPMENT PERMITS

Date Issued: July 27, 2017

Mandated by: City Manager

Current Revision: August 15, 2022

Cross Reference:

- Securities for Development Permits Procedure FIN-023-A
- Land Use Bylaw C23-20
- City of Fort Saskatchewan Engineering and Servicing Standards

Next Review: December 31, 2027

Responsibility:

Director, Planning & Development
Director, Fleet, Facilities, and Engineering

1. PURPOSE

To provide direction to City administration for requiring Securities to ensure the Proponent fulfills their development obligations in accordance with any City Standard, Development Permit, or Land Use Bylaw requirement.

2. POLICY

The City shall collect a Security in the form of cash, certified cheque, or automatically renewing irrevocable letter of credit before work commences on all new major construction projects.

3. DEFINITIONS

- 3.1 *City* – means the municipal authority of the City of Fort Saskatchewan, in the Province of Alberta.
- 3.2 *City Standards* – means the standards and specifications as set out in the City of Fort Saskatchewan Engineering and Servicing Standards (presently in effect and as may be amended in future from time to time) for design, construction and installation of all local improvements, as well as any additional standards, conditions or requirements applicable to the Development Permit as deemed applicable by the City.
- 3.3 *Development Agreement* – means the agreement between a Proponent and the City that defines the terms and conditions under which a development must be carried out.

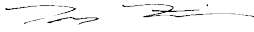
- 3.4 *Development Authority* – means the City department and employees authorized to make development decisions.
- 3.5 *Development Permit* – means the document authorizing a development pursuant to the provisions of Land Use Bylaw (LUB) and as defined in the MGA, as amended.
- 3.6 *Land Use Bylaw (LUB)* – means the bylaw which regulates orderly, economical and beneficial development of the use of land and buildings within the City.
- 3.7 *Municipal Government Act (MGA)* – means the Municipal Government Act for Alberta.
- 3.8 *Proponent* – means the owner of the property, or person or entity with the written authority of the owner, which holds a Development Permit or Development Agreement with the City.
- 3.9 *Security* – means an automatically renewing irrevocable letter of credit, certified cheque, or a cash deposit held by the City to ensure that the engineering, landscaping, and other development obligations set out in the approved Development Permit, stamped approved drawings, and Land Use Bylaw are completed to the City's satisfaction and expectations.

2. GUIDING PRINCIPLES

- 4.1 A Security is required when:
 - a) a Development Permit is issued for a development in accordance with the LUB and the Development Authority has determined the need for a Security;
 - b) a Proponent enters into a Development Agreement for constructing local improvements that are needed to serve the proposed development; or
 - c) a Proponent enters into a specialized appurtenant to development.
- 4.2 Securities shall not be transferrable between projects or Proponents.
- 4.3 A report documenting the Securities collected and held in accordance with this Policy shall be produced and reviewed annually by the City.
- 4.4 Once all obligations are met, the Proponent shall submit a Request for Inspection Form to the City. The Securities shall be released once the inspection has been completed by the City, and all required works have been completed to the satisfaction of the City.
- 4.5 Development Securities that are three (3) years and older will be assessed by the City prior to forfeiture. This forfeiture money will be deposited in the City's general revenue account.
- 4.6 The amount of the guaranteed Security required by the City shall depend upon the merits and circumstances of the application and the conditions of the Development Permit for which the Security is intended to ensure compliance.

3. AUTHORITY / RESPONSIBILITY TO IMPLEMENT

The City Manager delegates responsibility to the Director, Planning & Development and the Director, Fleet, Facilities, and Engineering to ensure the uniform application of this Policy within the organization and in accordance with legislative requirements.



City Manager

SECURITIES FOR DEVELOPMENT PERMITS

Date Issued: June 19, 2017

Responsibility:
Director, Planning & Development
Director, Fleet, Facilities, and Engineering

Current Revision: June 10, 2026

Cross Reference:

- Securities for Development Permits Policy FIN-023-A
- Land Use Bylaw C23-20
- City of Fort Saskatchewan Engineering and Servicing Standards

1. PURPOSE

To provide City administration with procedures on acceptable Security types, amounts, submission process, inspections, Security reduction, release and forfeiture.

2. DEFINITIONS

- 2.1 *City* – means the municipal corporation of the City of Fort Saskatchewan, in the Province of Alberta.
- 2.2 *Development Completion Inspection (DCI)* – means an inspection conducted by the City to ensure the development has been completed in accordance with all conditions of the Development Permit and in accordance with the stamped, approved drawings.
- 2.3 *Development Permit* – the document issued by the City authorizing a development.
- 2.4 *Landscaping Acceptance Certificate (LAC)* – means a statement issued by the City after the LAI is accepted, verifying the landscaping has received final acceptance.
- 2.5 *Landscaping Acceptance Inspection (LAI)* – means an inspection conducted by the City to ensure all landscaping observed during an LCI is not missing, damaged, and meets the specifications of the approved landscaping plan. An LAI shall take be conducted no earlier than one (1) year following the date of the LCC.
- 2.6 *Landscaping Completion Certificate (LCC)* – means a statement issued by the City after the LCI is completed, verifying the landscaping has been completed in accordance with an approved landscaping plan.
- 2.7 *Landscaping Completion Inspection (LCI)* – means an inspection conducted by the City to ensure the landscaping required pursuant to a Development Permit has been completed in accordance with the approved landscaping plan.

- 2.8 *Land Use Bylaw* (LUB) – means the bylaw which regulates the orderly, economical and beneficial development of the use of land and buildings within the City.
- 2.9 *Proponent* – means the owner of the property, or person or entity, with the written authority of the owner, which holds a Development Permit or Development Agreement with the City
- 2.10 *Security* – means an irrevocable letter of credit, certified cheque, or a cash deposit held by the City to ensure that the engineering, landscaping, and other development obligations set out in the approved Development Permit, stamped approved drawings, and Land Use Bylaw is completed to the City's satisfaction and expectations.

3. PROCEDURE

Development Security:

- 3.1 The amount of the Development Security shall include:
- a) 100% of the cost to complete all landscaping, as stated in the Land Use Bylaw; and
 - b) Any amount deemed necessary to ensure the Proponent fulfills their obligations in accordance with any conditions of the approved Development Permit, the stamped approved Development Permit plans, and the Land Use Bylaw.
- 3.2 In determining the amount of the Development Security, the City shall consider:
- a) A cost estimate, to the satisfaction of the City, based on a landscape plan prepared by a Landscape Architect or Landscape Technologist for development areas in excess of 500 square meters. The City reserves the right to verify the market value of landscaping costs;
 - b) The value of the proposed development;
 - c) The conditions of the Development Permit;
 - d) Whether the development is adjacent to environmentally constrained lands or City owned lands, as additional Security may be required; and
 - e) The merits and circumstances of the application including, but not limited to, the possibility of non-compliance given the merits of the development and/or a history of non-compliance of the Proponent.
- 3.3 Portions of the Security collected for the landscaping requirements of the Development Permit shall be released in two (2) stages as follows, pending no deficiencies, etc.:
- a) 50% upon issuance of a LCC, but not less than \$10,000.00 retained; and
 - b) Remainder upon issuance of a LAC.
- 3.4 Any guaranteed Security shall allow for partial draws by the City, if the conditions of the Development Permit or any other obligations of the applicant have not been completed to the satisfaction of the City. The City may draw on the Security, and the amount thereof shall be paid to the City for its use absolutely. All expenses incurred by the City to renew or draw upon any Security shall be reimbursed by the Proponent to the City by payment of an invoice from the proceeds of the Security.

- 3.5 The remaining Development Security (excepting the portion collected for the development's landscaping) shall be released in two (2) stages as follows, pending no deficiencies and that the development has been completed in accordance with the approved plans and drawings:
- a) Full amount, less \$10,000.00 retained until as-built drawings have been submitted; and
 - b) Any remaining funds following the City's review and acceptance of as-built drawings and all remaining development has been completed in accordance with the approved plans and drawings.

Security Submission:

- 3.6 Securities shall be provided in the form of cash, certified cheque, or automatically renewing irrevocable letter of credit. No security, regardless of form, shall accrue interest payable to the party who provides the Security.
- 3.7 The City may register a caveat with respect to Securities in accordance with the MGA. The City shall discharge this caveat once the development has been inspected, accepted, and the Security has been released in accordance with this Procedure.
- 3.8 All Securities collected by the City shall be catalogued in the permitting database, and in the case of irrevocable letters of credit, kept secure by Legislative Services in a sealed vault.

Inspections:

- 3.9 The Proponent shall submit a "Request for Inspection" form to the City, requesting a Development Completion Inspection (DCI), Landscaping Completion Inspection (LCI) or Landscaping Acceptance Inspection (LAI).
- 3.10 All inspections are conducted between June 1 and September 5th of the calendar year and are subject to active growing season conditions.
- 3.11 Re-Inspection fees may apply as per the City's current Fees & Charges Bylaw.

Security Reduction and Release:

- 3.12 The City may refuse to reduce or release a Security when it has been determined that there are deficiencies with respect to the work that was required to be completed as per the approved drawings and any other applicable regulation.
- 3.13 Once it has been deemed appropriate to reduce Security, the Planning & Development Department shall forward a memo to Legislative Services. The financial institution is then requested to forward a reduced letter of credit. This updated letter of credit to be forwarded to Legislative Services for secure storage.
- 3.14 Once it has been deemed appropriate to release a letter of credit, the Planning & Development Department shall forward a memo to Legislative Services. The Legislative Services Department will return the original letter of credit to the requesting department for release.
- 3.15 Once it has been deemed appropriate to reduce or release a cheque or cash security, a cheque requisition form and all required documentation shall be forwarded to the Finance Department, who will then mail the cheque or electronically transfer the funds to the applicant.

- 3.16 Securities shall be released back to the party that supplied the Security unless directed otherwise with supporting documentation provided by the Proponent.
- 3.17 Letters of credit are returned to the financial institution via registered mail.

Security Forfeiture:

- 3.18 Securities older than three (3) years may be subject to forfeit.
- 3.19 Prior to forfeiture, the City shall take all reasonable steps to notify the party that supplied the Security. This notification is sent no less than four (4) months prior to September 5th.
- 3.20 This notification shall advise the party that they have until September 5th of the calendar year to schedule an inspection.