

POLICY NO:	AD 021
POLICY TITLE:	DEVELOPMENT AGREEMENT SECURITY FOR MULTI-LOT DEVELOPMENT SUBDIVISIONS
DEPARTMENT:	ADMINISTRATION
APPROVAL DATE:	23-11-11 (November 8, 2011)
REVISION DATE:	
REVIEW DATE:	

Policy Statement:

In an effort to be both fair and consistent when dealing with large development projects, the County has created a policy to outline the requirements associated with multi-lot subdivision development agreements. This policy will provide transparency to both the County rate-payers and those in the development field.

Purpose:

The County of Vermilion River will adhere to the guidelines outlined within this policy when dealing with development agreements for multi-lot subdivision developments within the County. This policy will clearly outline the following items:

- how the County will determine Security for the development
- the form of the security accepted by the County
- the amount of security to be taken
- the warranty timelines and
- the triggering events that will allow the County to release portions of security

Policy:

1. The County of Vermilion River will require Stamped Engineer Drawings and Cost Estimates for all Municipal Infrastructure associated with the proposed development. These estimated figures will be verified by County Engineers and inserted into the ‘Security’ Schedule of the Development Agreement.
2. The County of Vermilion River will require 60% of the total costs outlined within the ‘Security’ Schedule of the Development Agreement, either in the form of a certified bank draft or a self-renewing irrevocable letter of credit **PRIOR TO ENDORSEMENT** of the subdivision outlined within the agreement, for Security purposes.

3. The security will be held in its entirety until a Construction Completion Certificate (CCC) is issued by the County. Verification that the built infrastructure meets County standards will require the submission of engineering tests and reports to the satisfaction of the County. Additionally, if the Developer is able to provide the County with the servicing agreements and payment receipts for 'Shallow Buried Utilities' (Gas, Power, Telephone Etc.), as shown within the Development Agreement, these costs will not be included in the Security.
4. Upon issuance of a CCC the County will release 35% of the TOTAL costs for the infrastructure. For clarification, the County will retain 25% of the cost for TOTAL infrastructure outlined within the 'Security' Schedule of the Development Agreement.
5. The 25% security will be retained by the County of Vermilion River for warranty purposes. The warranty period will be defined in the Development Agreement and will be for a term of 3 years from the date of issuance of the CCC. The development agreement will allow the County to extend this warranty period to a term of 5 years if issues arise during the period where the County believes an extended warranty would be of benefit to protect the County interest.
6. Following the warranty period, the County of Vermilion River will be in a position to issue a Final Acceptance Certificate (FAC) for the development. Subject to the satisfaction of the County, the FAC will be issued for the specific infrastructure and the County will release the remaining 25% of the security.