

Subdivision and Development Approvals Irrevocable Letter of Credit Policy

Policy Number No. 25-2003	Approval Date October 8, 2003	Resolution Number 763/03
Supersedes N/A	Effective Date Upon Approval	Legal Authority MGA Section 650 and 655
Amendments:	Amendment Date	Resolution Number

TITLE: Subdivision and Development Approval Irrevocable Letter of Credit Policy

Policy Statement:

The Town of High Prairie may require, security by irrevocable letter of credit from a developer/applicant, as a condition of subdivision or development approval, to recover any eligible costs for development or subdivision that the Town may incur as a result of the subdivision or development.

DEFINITIONS: For the purpose of this policy:

“Eligible costs for development” shall mean any and all costs incurred by the Town of High Prairie relative to a development permit being issued with conditions pursuant to Section 650 (1)(a), (b), (c), (d), or (e) of the Municipal Government Act R.S.A. 2000 and the amendments thereto; for which the terms and conditions of an agreement were not satisfactorily performed by the developer.

“Eligible costs for subdivision” shall mean any and all costs incurred by the Town of High Prairie relative to a subdivision approval being issued with conditions pursuant to Section 655 (1) (a) and (b) of the Municipal Government Act R.S.A. 2000 and the amendments thereto; for which the terms and conditions of an agreement were not satisfactorily performed by the subdivision applicant.

BACKGROUND: Pursuant to the provisions of Sections 650 and 655 of the Municipal Government Act R.S.A. 1994 and the amendments thereto, the Council of a municipality and/or the Subdivision Authority of a municipality may specify that a developer/applicant enters into an agreement with the municipality to provide certain facilities or services to a development or a

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subdivision; and the agreement is a condition of approval. Additionally, the Council or Subdivision Authority may require security to ensure the terms of the agreement are carried out.

IMPLEMENTATION:

- a) When a development permit is issued conditional to the developer entering into an agreement pursuant to Section 650 of the Municipal Government Act R.S.A. 2000 and the amendment thereto, security by way of an irrevocable letter of credit shall be required.
- b) The amount of security shall be equal to five percent (5%) of the estimated cost of the project to a maximum of thirty thousand dollars (\$30,000.00).
- c) When a developer fails to fulfill the terms and conditions of the agreement to a satisfactory level as determined by the Town, the Town may perform any work required to correct the deficiency.
- d) All eligible costs for development respective to any work performed by the Town to correct the deficiency shall be claimed against the irrevocable letter of credit provided by the developer.

Procedure Regarding Subdivision Approvals:

- a) When a subdivision approval is issued conditional to the applicant entering into an agreement pursuant to Section 655 of the Municipal Government Act R.S.A. 2000 and the amendment thereto; security by way of an irrevocable letter of credit shall be required.
- b) The amount of security shall be equal to five percent (5%) of the estimated cost of the project to a maximum of thirty thousand dollars (\$30,000.00).
- c) When a applicant fails to fulfill the terms and conditions of the agreement to a satisfactory level as determined by the Town, the Town may perform any work required to correct the deficiency.
- d) All eligible costs for subdivision respective to any work performed by the Town to correct the deficiency, shall be claimed against the irrevocable letter of credit provided by the applicant.