Strathmore

TOWN POLICY

POLICY NUMBER: 1823

REFERENCE:	**ADOPTED BY:**
Resolution No. 211.09.26	Town Council
PREPARED BY:	**DATE:** September 02, 2026

TITLE: Subdivision and Development Securities

Policy Statement

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

a. **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.

Purpose

To establish clear requirements for the provision, management, reduction, release, and enforcement of financial security required by the Town in connection with a Development Permit, Development Agreement, subdivision approval, or any other approval or agreement where authorized under the *Municipal Government Act*, the Town's Land Use Bylaw, an applicable approval condition, or an agreement with the Town.

Financial security is required to ensure that sufficient funds are available to the Town if a Developer fails to complete required work, remedy deficiencies, satisfy approval or agreement conditions, restore lands, repair damage, pay amounts owing, or otherwise fulfill its obligations to the satisfaction of the Town.

This Policy is intended to provide clarity to Developers, Administration, Consulting Engineers, Contractors, and other affected parties regarding when financial security will be required, acceptable forms of security, how security amounts will be calculated, when security may be retained, reduced, released, or drawn upon, and the Town's rights and remedies in the event of default or non-compliance.

1.0 DEFINITIONS

1.1 "Administration" means the operations and employees of the Town, under the direction of the CAO;

1.2 "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;

1.3 "Chief Administrative Officer" or "CAO" means the person appointed by the Council under section 4 and under section 205 of the Act to be Chief Administrative Officer for the Town, along with any designate appointed by the Chief Administrative Officer;

1.4 "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;

1.5 "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;

1.6 "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

b. the registered owner's representative authorized to apply for a development permit or subdivision;

1.7 "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;

1.8 "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;

1.9 "Development Permit" means a document issued under a land use bylaw and authorizing a Development;

1.10 "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;

1.11 "Local Improvement" means the roadways, public utilities, and other developments defined in the Development Agreement;

1.12 "Planning and Development Manager" means the person employed by the Town in the role of Planning and Development Manager, or Designate;

1.13 "Private Infrastructure" means Local Improvements that do not transfer to the Town upon issuance of a Construction Completion Certificate or Final Acceptance Certificate;

1.14 "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;

1.15 "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;

1.16 "Subdivision" means the division of a parcel of land by an instrument and "subdivide" has a corresponding meaning;

1.17 "Subdivision Approval" mans the Notice of Decision which approves a subdivision application;

1.18 "Town" means the Town of Strathmore, a municipal corporation in the Province of Alberta, and where the context so requires, means the area of land within the corporate boundaries thereof;

1.19 "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.

2.0 RESPONSIBILITIES

2.1 Council

a. must approve, by resolution, this policy and any amendments.

2.2 CAO:

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;

2.3 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;

2.4 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.

3.0 REQUIREMENT FOR SECURITY

3.1 The Town must collect Security as part of a Development Agreement or as a condition of a Subdivision Approval, except when waived under section 4 of this policy;

3.2 The Town may collect Security as a condition of a Development Permit approval;

3.3 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.

4.0 WAIVER OF SECURITY REQUIREMENTS

4.1 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;

4.2 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;

4.3 Securities may not be waived in part;

4.4 The CAO or Planning and Development Manager must sign the Waiver of Security.

5.0 AMOUNT OF SECURITY REQUIRED

5.1 The amount of Security required depends on the type of Development, including consideration of Local Improvements and construction costs;

5.2 Adequate Security, at the discretion of the Chief Administrative Officer, 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. Securities for a Development Permit that does not require a Development Agreement are defined in the Master Fee Schedule;

5.3 The maximum amount of Security that the Town may require is up to a maximum of 110% of estimated construction value.

5.4 The Town will only consider the following as valid types of security: cash, certified cheque(s), letter(s) of credit, and bonds. The Planning and Development Manager reserves the right to specify the nature of the Security required to be held.

6.0 RELEASING SECURITIES

6.1 Interest accrued on deposited Security is retained by the Town and is not payable to the Developer;

6.2 Security may only be partially returned (reduced) when a Development Agreement is in place;

6.3 Security may be reduced based on actual construction tender prices submitted by the Developer's Engineer;

6.4 Securities may be returned, in part, after the issuance of the Construction Completion Certificate(s);

6.5 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;

6.6 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;

6.7 A re-inspection of development to confirm compliance with an approval may be subject to an additional fee.

7.0 DRAWING ON AND FORFETING SECURITITES

7.1 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.

7.2 Security may not be used for other obligations such as outstanding taxes or utility bills.

7.3 In the event the Developer has deposited a Security with the Town, and the Security is still available after two (2) years following a defined development completion milestone (Construction Completion Certificate/Final Acceptance Certificate issuance, etc.) 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.

8.0 TRANSFERRING SECURITY

8.1 Transferring Security is permitted under the following circumstances:

a. when the Developer changes; or

b. from one accepted form to another.

8.2 The Town will release a Security after a new Security has been accepted.

8.3 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.

9.0 DELEGATION OF AUTHORITY

9.1 The Chief Administration Officer may delegate any power, duty or function assigned to them under this Bylaw to another position within the Town Administration.

10.0 SEVERABILITY

10.1 If any section or part of this Policy is found to be illegal, or beyond the power of Council to enact, such section or parts shall be deemed to be severable from all other sections or parts of this Policy.

11.0 REVIEW

11.1 This policy shall be available for public inspection and will be posted on the Town of Strathmore's website.

END OF POLICY

APPROVAL

Mayor

Director of Strategic, Administrative and Financial Services