

# Development Agreement Security Policy

**Council**  
May 26, 2026




# Background

## Current Policy:

- Approved in 2012
- Results in frequent variance requests from developers
- Does not account for developers' past performance
- Lacks clear, risk-based criteria for determining security amounts

**Proposed policy & procedure balances regional attractiveness with risk mitigation**

Policy C-PD01	
	<b>COUNCIL POLICY C-PD01</b> <b>Development Agreement Security Requirements</b>
Prepared By: Planning and Development Services	Council Approval Date: June 26, 2012
Effective Date: June 26, 2012	Council Resolution No.: N/A
References: Letters of Credit Procedures C-PD01-P1 <i>Municipal Government Act</i>	Previous Revision Date: March 13, 2007 (Policy PD 001)
Function: Planning and Development Services	LAS Review Date: June 3, 2014
<b>PURPOSE</b> To ensure compliance with the terms of a Development Agreement, Parkland County requires that a developer provide securities. The County is authorized to require securities by its authority under Section 655(1)(b)(vi) of the <i>Municipal Government Act</i> . The security is meant to serve as a performance incentive, enable the County to secure the construction site if needed, and in some cases, secure funds to complete the construction of certain municipal improvements should a Developer not fulfill its obligations. The purpose of this policy is to outline the criteria and method used to determine the minimum amount of security to be submitted by a Developer as part of executing and fulfilling a Development Agreement with the County.	
<b>POLICY STATEMENT</b> Parkland County will require that a minimum amount of security, as determined under this policy, be submitted by a developer prior to the County ratifying a Development Agreement. Parkland County will further require that a minimum amount of security, as determined under this policy, be submitted by the developer at different stages of the development project.	
<b>DEFINITIONS</b> <ol style="list-style-type: none"><li>1. "Act" means the <i>Municipal Government Act</i>, R.S.A., 2000, Chapter M-26.1, and amendments thereto.</li><li>2. "Council" refers to the Council for Parkland County.</li><li>3. "Development" means development as defined in the Act.</li><li>4. "Development Agreement" means an agreement between a developer and the County entered into pursuant to Section 655 of the Act.</li></ol>	



# Proposed Policy C-458

## Development Agreement Security Policy

- **Requires Developers to provide security for:**
  - 1) **Construction of municipal infrastructure or,**
  - 2) **Staged payments of off-site levies**
- **Policy provides overall governance framework with more detailed procedure for administrative implementation**



# Overview: Implementation of Policy

- 1 Risk-Based Security Amounts**
- 2 Endorsement Timing**
- 3 Bareland Condominium Subdivision**
- 4 Delegation of Authority**



# Implementation of Policy

## 1 Risk-Based Security Amounts

- + Security level tied to categorization (A-D) based on past performance
- + Amount of security based on risk to the County
- + Protects the County's interests

Developer Category	Description
A	Lowest level of risk <ul style="list-style-type: none"><li>- Proven past performance</li><li>- Lower security</li></ul>
B	Medium level of risk <ul style="list-style-type: none"><li>- Limited projects but proven past performance</li><li>- Moderate security</li></ul>
C	Medium-high level of risk <ul style="list-style-type: none"><li>- No proven past performance</li><li>- High security</li></ul>
D	High level of risk <ul style="list-style-type: none"><li>- Major issues with past performance</li><li>- Highest security</li></ul>



# Implementation of Policy

## 2 Endorsement Timing

- + Option for endorsement prior to CCC for Category "A" and "B" developers who have an established performance record
- + Current policy does not allow for early endorsement
- + Developers frequently requesting variance to policy



# Implementation of Policy

## 3 Bareland Condominium Subdivision

- + No development agreement requirement (or security) for on-site private infrastructure
- + Private, on-site infrastructure is owned and maintained by the condominium association, not the County.
- + Safety regulated items such as water and sanitary systems are regulated through the Alberta Safety Codes Act
- + If developer is required to construct municipal infrastructure, such as the upgrade of a Range Road, development agreement **would be required**
- + Clarity reduces developer costs and aligns County security requirements with actual risks and legal responsibilities

# Implementation of Policy

## 4 Delegation of Authority

- + Council direction for overall governance framework to collect securities
- + Procedure gives authority to Director of Planning & Development to implement
- + Added clarity and consistency to the procedure allows for streamlined implementation

POLICY C-458			
		COUNCIL POLICY C-458	
		<b>Development Agreement Security Policy</b>	
PREPARED BY:	Planning and Development Services	COUNCIL APPROVAL DATE:	
EFFECTIVE DATE:	Council approval date or later date as directed by Council	RESCINDS POLICY:	Council Policy C-PD01 Development Agreement Security Requirements
REFERENCES:	Municipal Government Act C-PD18-P1 - Development Agreements Security Procedure Off-Site Levies Bylaw Off-Site Levies Assessment and Collection Procedure		
FUNCTION:	Planning and Development Services	LLS REVIEW DATE:	April 20, 2026
<b>PURPOSE</b>			
This Policy provides for the establishment of Security requirements for Development Agreements executed between Developers and Parkland County.			
<b>POLICY STATEMENT</b>			
Parkland County shall require Developers to provide Security for all Development Agreements that include:			
<ul style="list-style-type: none"><li>• the requirement for construction or installation of municipal improvements; and/or</li><li>• staged payment of off-site levies.</li></ul>			
<b>DEFINITIONS</b>			
Terms used in this Policy have the meanings set out in the Development Agreement Security Procedure P-458-1, as amended from time to time.			
<b>SCOPE</b>			



# Summary

## **Modern Risk-Based Framework**

Policy C-458 replaces outdated methods with a risk-based system that enhances public interest protection and resolves inefficiencies

## **Key Policy Innovations**

Includes developer categorization, standardized security framework and flexible endorsement for qualified developers

## **Governance and Accountability**

Clarity between Council and administration responsibilities, which supports adaptability, accountability, and delegated staff authority

## **Strategic Benefits**

Supports predictable development, efficient administration, and responsible risk management to support continued development in the County



# Recommendation

That Council approve Policy C-458 - Development Agreement Security, as presented.

Questions?

