

Development Agreement Security Policy

GPC

May 19, 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	
	COUNCIL POLICY C-PD01 Development Agreement Security Requirements
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
PURPOSE 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.	
POLICY STATEMENT 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.	
DEFINITIONS <ol style="list-style-type: none">1. "Act" means the <i>Municipal Government Act</i>, R.S.A., 2000, Chapter M-26.1, and amendments thereto.2. "Council" refers to the Council for Parkland County.3. "Development" means development as defined in the Act.4. "Development Agreement" means an agreement between a developer and the County entered into pursuant to Section 655 of the Act.	



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



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	
		Development Agreement Security Policy	
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
PURPOSE			
This Policy provides for the establishment of Security requirements for Development Agreements executed between Developers and Parkland County.			
POLICY STATEMENT			
Parkland County shall require Developers to provide Security for all Development Agreements that include:			
<ul style="list-style-type: none">• the requirement for construction or installation of municipal improvements; and/or• staged payment of off-site levies.			
DEFINITIONS			
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.			
SCOPE			



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 the Governance and Priorities Committee accept the report as information.

Questions?

