



COUNCIL POLICY

Securities for Construction on Public Lands and Private Lands

Policy Title	Securities for Construction on Public Lands and Private Lands		
Policy Number	623	Approved Date	2024-08-26
Department	Engineering Services	Last Amended	
Mayor Signature	"J. Clayton" (signed)	Last Reviewed	
		Signature Date	2024-08-27

1. Policy Statement

- 1.1. The City of Grande Prairie (City) requires performance Securities to be posted in relation to construction activities on Public Lands and on Private Lands. The performance Securities are posted as an assurance that the Developer, contractor, or other responsible party intends to complete their contractual obligations, and to offer some financial protection to the City in the event of a default. As well, the Securities provide a readily accessible form of funding to deal with emergency issues that may arise in relation to the construction activities. The City may require Security to be submitted in connection with the related improvement processes including, but not limited to:
 - a) Development Agreements
 - b) Development Permits
 - c) Engineering Permits
- 1.2. An applicant for a Development Permit may be required to submit Securities to the City for specific improvements on Private Lands, as determined by the Development Officer under the [Land Use Bylaw C-1260 \(LUB\)](#) as amended or replaced. The Securities required under the LUB and the procedures under the LUB governing those Securities will take precedence over this Policy for Securities when the Development Permit condition specifically requires Securities under the LUB.

2. Purpose

The purpose of this council policy (policy) is to:

- 2.1. Establish a fair and equitable framework for the determination and management of Securities required to complete construction activities on Public Lands and on Private Lands, to establish when Security is required, and to outline acceptable forms of Security and when Security may be waived, reduced, released or drawn upon.



COUNCIL POLICY

Securities for Construction on Public Lands and Private Lands

3. Definitions

In this policy:

- 3.1. **"City"** means the municipal corporation of The City of Grande Prairie, having authority under the MGA and other applicable legislation. Where context requires, City also means the area included within the municipal boundaries of the City.
- 3.2. **"City Manager"** means the City's Chief Administrative Officer or that individual's designate.
- 3.3. **"Developer"** means a person who has an obligation to construct Municipal Improvements or Other Utility Services or a person who wishes to construct whose construction will impact Municipal Improvements or Other Utility Services.
- 3.4. **"Development Agreement"** includes a written agreement:
 - a) under ss. 650 and 655 of the MGA between a Developer and the City related to the construction or installation of Municipal Improvements on Public Lands or Private Lands within the City; or
 - b) an agreement with the City regarding the Developer's construction which may impact Municipal Improvements or Other Utility Services.

For clarity, Development Agreements include, but are not limited to, servicing agreements and infrastructure agreements.

- 3.5. **"Development Permit"** means a document issued pursuant to the provision of the Land Use Bylaw C-1260, as amended or replaced authorizing the commencement of a development.
- 3.6. **"Engineering Permit"** means a permit issued by the City authorizing construction activities, temporary barricades and signage, driveway construction, or storm sewer connection on Public Lands.
- 3.7. **"Engineering Services"** means the City employees within the Engineering Department that are authorized to administer the terms of a Developer Agreement or Engineering Permit on behalf of the City.
- 3.8. **"MGA"** means the *Municipal Government Act* RSA 2000 C. M-26 as amended or replaced.
- 3.9. **"Municipal Improvement"** means all those improvements set out in a Development Agreement to be constructed and installed to service the development area, including but not limited to, roadways, stormwater utilities, water and wastewater utilities, service connections, pedestrian infrastructure, grading of service area, and park development.
- 3.10. **"Other Utility Services"** means electric, telecommunications and natural gas services.
- 3.11. **"Private Lands"** means any lands not owned by the City.
- 3.12. **"Public Lands"** means any lands owned by the City, including easements and rights of way.



COUNCIL POLICY

Securities for Construction on Public Lands and Private Lands

3.13. **"Security"** means a financial commitment provided to the City, in a form acceptable to the City, to ensure full compliance by the Developer with the Developer's obligations contained within a Development Agreement or Engineering Permit.

4. General Principles

4.1. When Security is Required

4.1.1. Development Agreements

- a. Development Agreements are required to facilitate the construction of Municipal Improvements or Other Utility Services.
- b. A Development Agreement is typically triggered by:
 - i. condition of subdivision approval, or
 - ii. condition of a Development Permit, or
 - iii. condition of an alignment approval.
- c. Development Agreements require Security to be submitted to the City.

4.1.2. Engineering Permits

- a. Engineering Permits are required for any work occurring on Public Land including, but not limited to:
 - i. on-street construction and maintenance,
 - ii. roadway barricades,
 - iii. crossings,
 - iv. driveway construction, and
 - v. temporary traffic controls.
- b. Engineering Permits may require Security to be submitted to the City.
- c. At the sole discretion of Engineering Services, Developers may be required to enter into a Development Agreement prior to the issuance of an Engineering Permit.

4.2. Security Specifications

4.2.1. Security must be in an appropriate form consisting of one or more of the following:

- a. Cash Security Deposit:
 - i. In the form a certified cheque or bank draft. The City shall not accept any cheque which is not certified.
 - ii. No payment of interest will be made on a cash deposit.
- b. Irrevocable and Unconditional Letter of Credit:
 - i. Issued by a chartered bank, a credit union, or ATB Financial in a form acceptable to the City.
- c. Development Agreement Surety Bond
 - i. Development Agreement Surety Bonds may only be provided as Security for Development Agreements required to meet a condition of a subdivision approval.



COUNCIL POLICY

Securities for Construction on Public Lands and Private Lands

The City shall not accept Development Agreement Surety Bonds to meet a condition of a Development Permit approval.

4.2.2. The City Manager may set additional requirements regarding acceptable forms of the above Security types. See Procedure 623-1 – Securities For Construction on Public Lands and Private Lands.

4.3. Waiver of Security

4.3.1. Engineering Permit Securities may be waived for construction activities that are considered under an existing contract with the City, for example a capital construction project or Development Agreement.

4.3.2. The City Manager may set additional requirements regarding the waiver of Security. See Procedure 623-1 – Securities for Construction on Public Lands and Private Lands.

4.4. Reduction or Release of Security

4.4.1. Securities may be reduced in accordance with the procedures established by the City Manager regarding the reduction of Security. See Procedure 623-1 – Securities for Construction on Public Lands and Private Lands.

4.4.2. Securities may be released in accordance with the procedures established by the City Manager regarding the release of Security. See Procedure 623-1 – Securities for Construction on Public Lands and Private Lands.

4.5. Security Forfeiture

4.5.1. Securities may be forfeit in accordance with the procedures established by the City Manager regarding the forfeiture of Security. See Procedure 623-1 – Securities for Construction on Public Lands and Private Lands.

5. Responsibilities

- 5.1.** City Council will review and approve any revisions to this Policy.
- 5.2.** City Manager will review and approve any procedures related to this Policy.
- 5.3.** City Administration will carry out the policy based on established procedures.

6. Legislative Authority & Other Reference

- 6.1.** *Municipal Government Act, RSA 2000, c M-26*
- 6.2.** [Land Use Bylaw C-1260](#)
- 6.3.** City Procedure 623-1 Securities for Construction on Public and Private Lands



COUNCIL POLICY

Securities for Construction on Public Lands and Private Lands

7. Version History

Action	Date	Description
New Policy	2024-08-26	Replacing 612 Land Development Policy