



CPAA

COMMUNITY PLANNING
ASSOCIATION of ALBERTA

The Challenges and Opportunities of Land Development and Implementing the Vision

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DEVELOPERS ARE NOT ALL LIKE THIS



- Developer will evaluate an opportunity based on financial performance and determine if it is acceptable for investment and that the vision of the ASP is in line with their corporate goals
- Marketability, costs and schedule are some of the key factors in this evaluation
- An opportunity may be a single stage or a multi-stage development which will occur over several years



DEVELOPMENT PROCESS

1-3 years

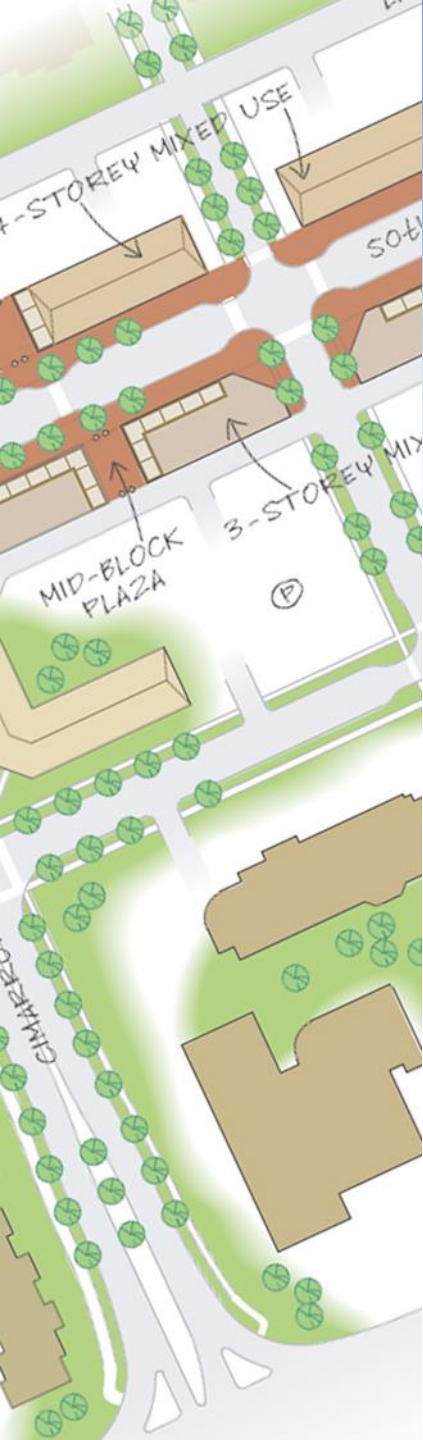
- Area Structure Plan (ASP) & Neighbourhood Structure Plan (NSP)

*Approx.
2 years*

- Zoning and Subdivision Approval
- Engineering Detailed Design
- Negotiation of Development Agreement
- Subdivision Construction
- Subdivision Plan Registration & Lot Sales
- Development Permit, Building Permit, On Lot Construction
- Occupancy and end use
- Subdivision Maintenance and Final Acceptance

ZONING & SUBDIVISION APPROVAL

- Select a land use and layout in consultation with customers and market trends
- Customer may be internal or external to the developer
- Start of 2 year schedule to deliver the final product to the end user.
- Market characteristics can change at any time



ZONING & SUBDIVISION APPROVAL

CONTINUED

- Most municipalities allow these applications to run concurrently
- Layout and infrastructure requirements and conditions will be documented in the Tentative Subdivision Approval
- Financing arrangements and a detailed pro-forma are typically done around this time

ENGINEERING DETAILED DESIGN

- Detailed design to satisfy the approved subdivision conditions and Municipal servicing standards
- Preparation may begin prior to subdivision approval with some risk to the development team
- Municipalities will accept engineering drawings once subdivision approval is finalized or in some cases once Key department comments are finalized



ENGINEERING DETAILED DESIGN

CONTINUED

- Approval time varies between municipalities and depends on complexity (2-6 months)
- Generally two to three submissions of the engineering drawings are required
- Certainty of schedule is critical

NEGOTIATION OF DEVELOPMENT AGREEMENT

- Contract between the Developer and the Municipality
- Establishes amounts and timing of payments including levies and boundary costs
- Defines how recoveries will be paid back
- Defines security amounts (Letter of Credit) and structure for reduction and release (amounts vary by Municipality)



NEGOTIATION OF DEVELOPMENT AGREEMENT

CONTINUED

- Defines schedule for developer maintenance of infrastructure and Final Acceptance by the Municipality
- Defines conditions for plan registration

SUBDIVISION CONSTRUCTION

- Contracts are tendered or negotiated with various specialized construction contractors to build the infrastructure required by the subdivision
- Subdivision construction in Alberta – including grading, deep utilities, surface construction and landscaping – generally occurs over 6 months (May-October)
- CCC inspections as various utilities are completed

SUBDIVISION PLAN REGISTRATION AND LOT SALES

- Plan registration may occur before or after CCCs depending on the municipality
- In most cases this is a trigger for the customer to begin payouts to the developer for the individual lots
- Allowance of some permits prior to plan registration can be of great benefit when establishing a new area



DEVELOPMENT PERMIT, BUILDING PERMIT AND ON LOT CONSTRUCTION

- Lots may be sold and titles may be transferred
- End users are able to proceed with construction of a home or business
- Timing of construction for residential houses is approximately 6-12 months
- Timing of BP and DP are critical



OCCUPANCY AND END USE

- Residents have taken possession of homes
- Commercial or industrial businesses have occupied facilities and initiated operations



SUBDIVISION MAINTENANCE AND FINAL ACCEPTANCE

- Repair of any damages or deficiencies with the subdivision infrastructure
- Attempt to recover costs from third parties where possible
- Carry out final inspections with the Municipality
- Receive return of Security (Letter of Credit)

SUMMARY

- Important to have cooperation / partnership between the Developer and Municipality to facilitate development in a timely manner
- End goal is to create sustainable, welcoming communities while also considering affordability
- Promoting economic growth



QUESTIONS...?



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