

ALBERTA DEVELOPMENT OFFICERS' ASSOCIATION 2019



BROWNLEE LLP
Barristers & Solicitors

1. Introduction
2. Strategies for the Sale of Municipal Land
3. Creating a Vision & Standardization
4. Redevelopment
5. “Short Snappers”

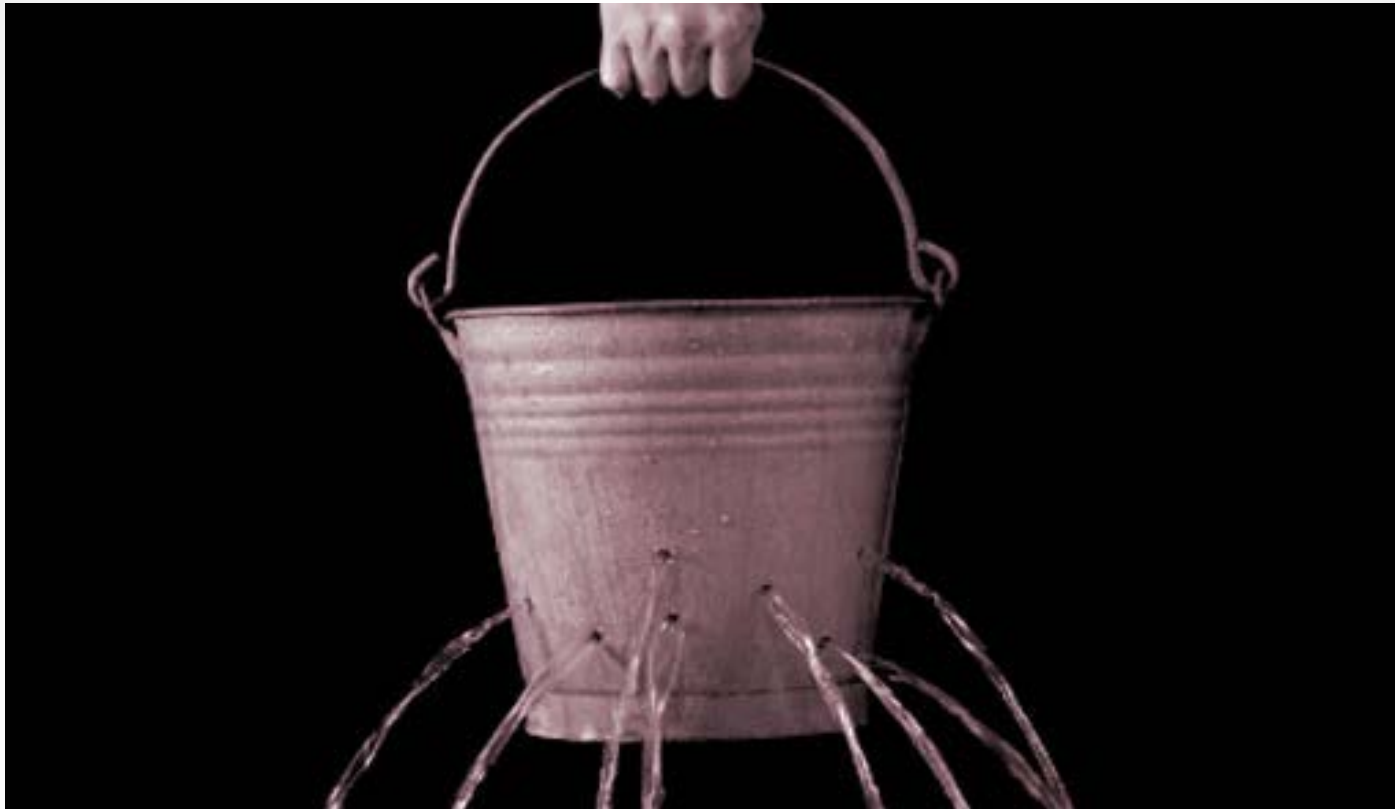
Keys to Successful Development

- ✓ Create a Vision
- ✓ Standardization
- ✓ Think Outside the Box
- ✓ Be Proactive

Typical Real Estate Sale

Typical realtor forms
of agreements have
perils if land is not
already developed





Including a term in a Sale Agreement that the development must be completed following closing is ineffective

Promises to
develop land
after closing...



Doctrine of Merger



Sale & Construction Agreement

Use a form of Agreement where responsibilities are “front-loaded”





Define the Development



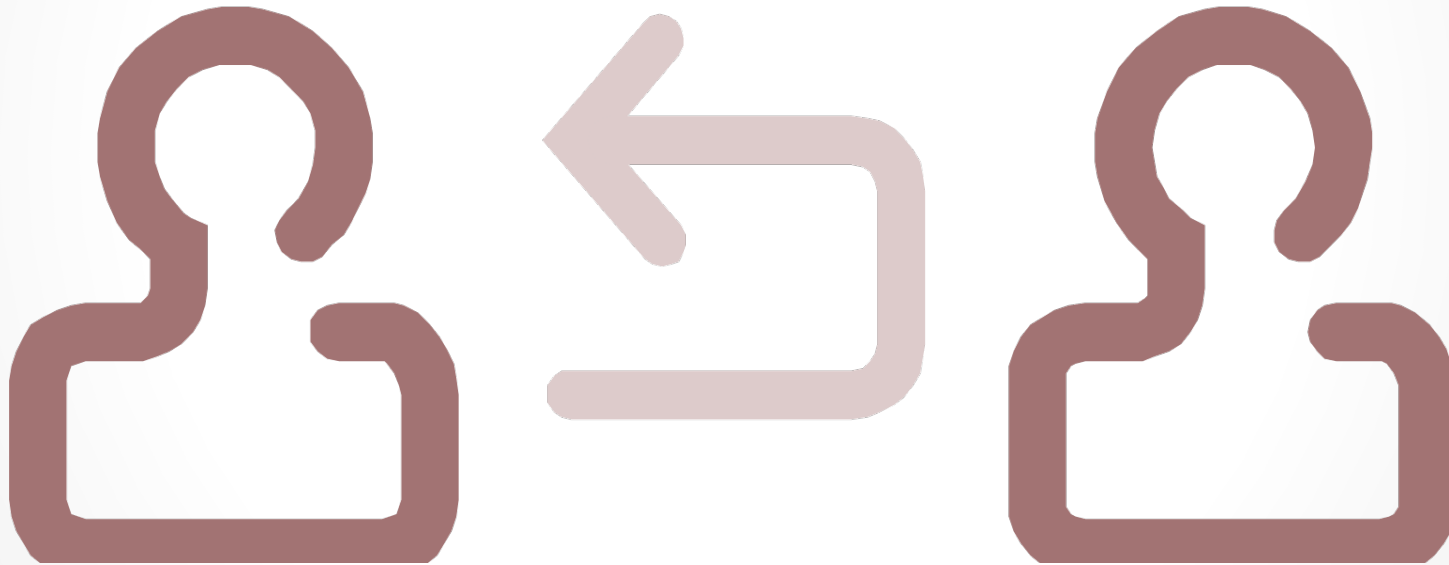
**Set Deadlines to Commence
/ Complete Construction**



**Development Agreement, Security,
Permits, Financing in Place**

Risk Management

Option to purchase the lands back if
deadlines not met





Register Option to
Purchase on Title



Obtain Transfer
Back on Closing

**ORIGINAL
PRICE**

**REPURCHASE
PRICE**



For large parcels of land, recommend a staged development

Success Story #1- City of Red Deer: Thinking Outside the Box





Timberlands

13 acre parcel sold in 2 phases

- o Phase 1- grocery store & mixed-use retail/residential (complete)
- o Phase 2- commercial retail & professional offices

During Construction



After



Timberlands North



Timberlands South

Creating a Vision



**Growth
Expectation**



**Infrastructure
& Servicing
Needs**



**Standards &
Expectations**

Planning Vision



**Statutory plans with
municipal vision**



Plans for development



MDP, ASP, NASP, LUB

Infrastructure Plans



Master Utility Studies



What is needed for renewal & for new development



Determine infrastructure funding or cost recovery options

- Who will construct? Who will finance?

Standardization



Create design & construction standards suitable for Municipality's needs

Clear expectations
and requirements



Efficiencies in the plans
process for constructing
municipal
improvements

Approval & Publication of Design & Construction Standards

*Section 638.2 of the
Municipal
Government Act*



Development Agreements

Important cost recovery tool

Can require an applicant to construct and pay for:

- **Roads, walkways & public utilities**
- **Off-street parking & loading facilities**
- **Oversized or extended infrastructure**

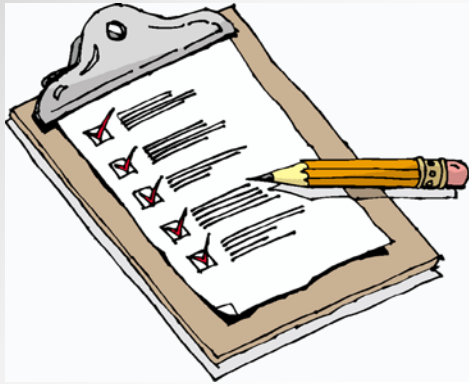
Standardized Development Agreements

Create level playing field



Create clear expectations of developers





**Create
administrative
efficiencies**

**Expedites
negotiation &
execution with
customization**

**Consistency in
inspection &
acceptance
process**

**Improves
enforcement**



SECURITY IS THE KEY



**Standard level -
full cost recovery**

**Minimize cost &
manage risk**

**Avoid stagnation
of development**

Standardize the form of security



**Irrevocable
letter of credit**

**Chartered
bank,
ATB, or
credit
union**

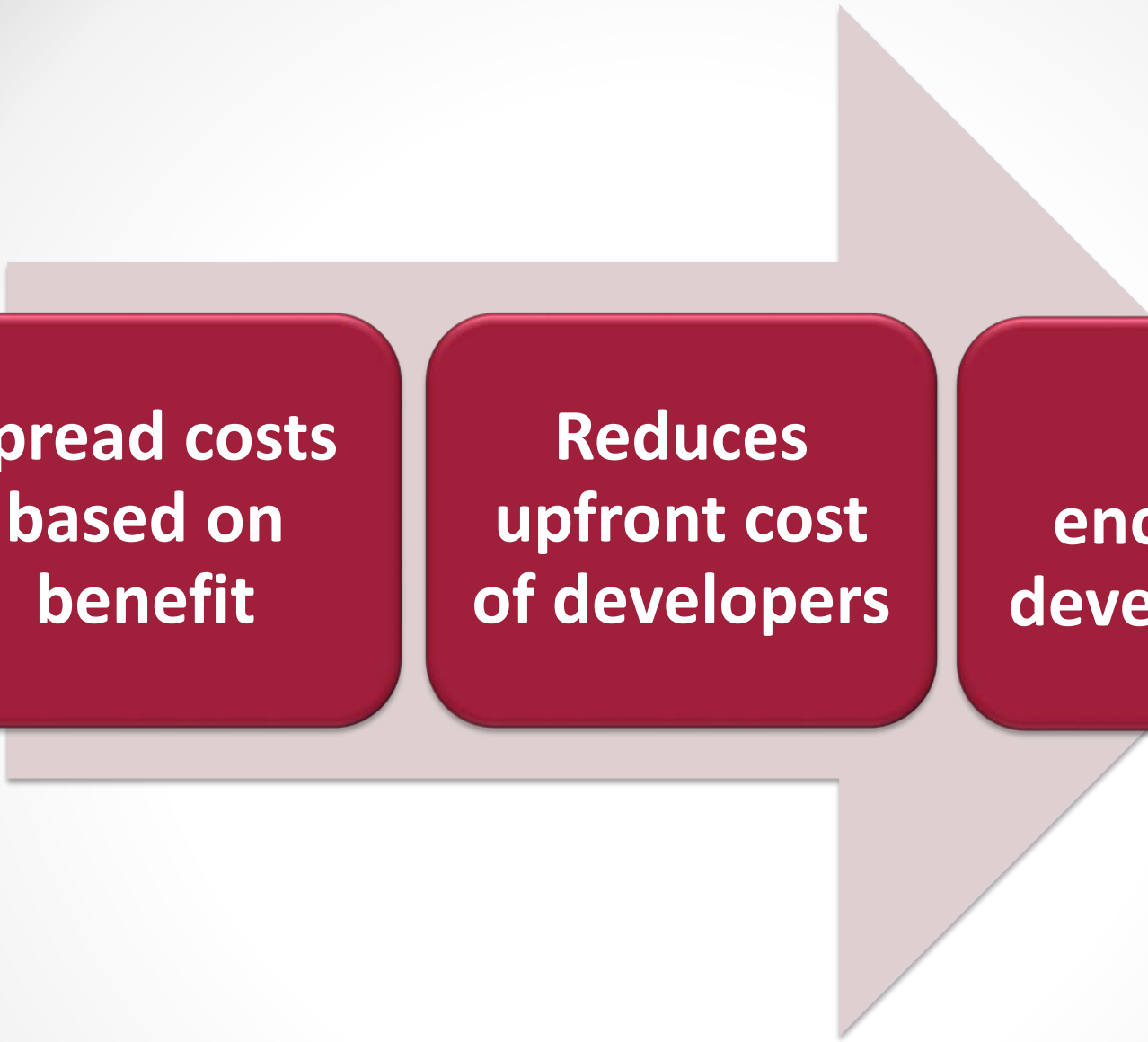
**Draw on-
demand**

**Automatically
renewable or
redeemable**

Off-Site Levies

- Cost recovery tool
- Recoverable infrastructure/facilities:
 - o Water, sewer, storm sewer drainage, roads, connections to provincial highways
 - o Recreation facilities, fire halls, police stations, libraries





**Spread costs
based on
benefit**

**Reduces
upfront cost
of developers**

**May
encourage
development**

Who will construct off-site levy infrastructure?

**Municipality
Builds**

**OSL
reserves or
borrowing**

**Front-
Ended by
Developer**

Levy credits

Success Story #2 – Leduc County: Off-Site Levy & Developer Front-Ending



**OSL for roads,
water, & sanitary**

- Servicing vision
for industrial area

**OSL policies
provide for front-
ending**

- Developer front-
ends portion of
infrastructure

**County provides
levy credits &
reimbursement
through
Agreement**

Nisku Spine Road

- Important
infrastructure
- Built ahead of
capital schedule

Before - 2011



After - 2017



Encourages Development in Industrial Area

December 2018:

Amazon announced plans to build new 1,000,000 square-foot customer fulfillment facility at Nisku Business Park

Redevelopment Challenges

Fragmented Ownership



Developed land
→ different
owners with
different goals

Anxiety &
fear of
change

NIMBY

Vocal
landowners
can be
influential

Risk of Losing Investment

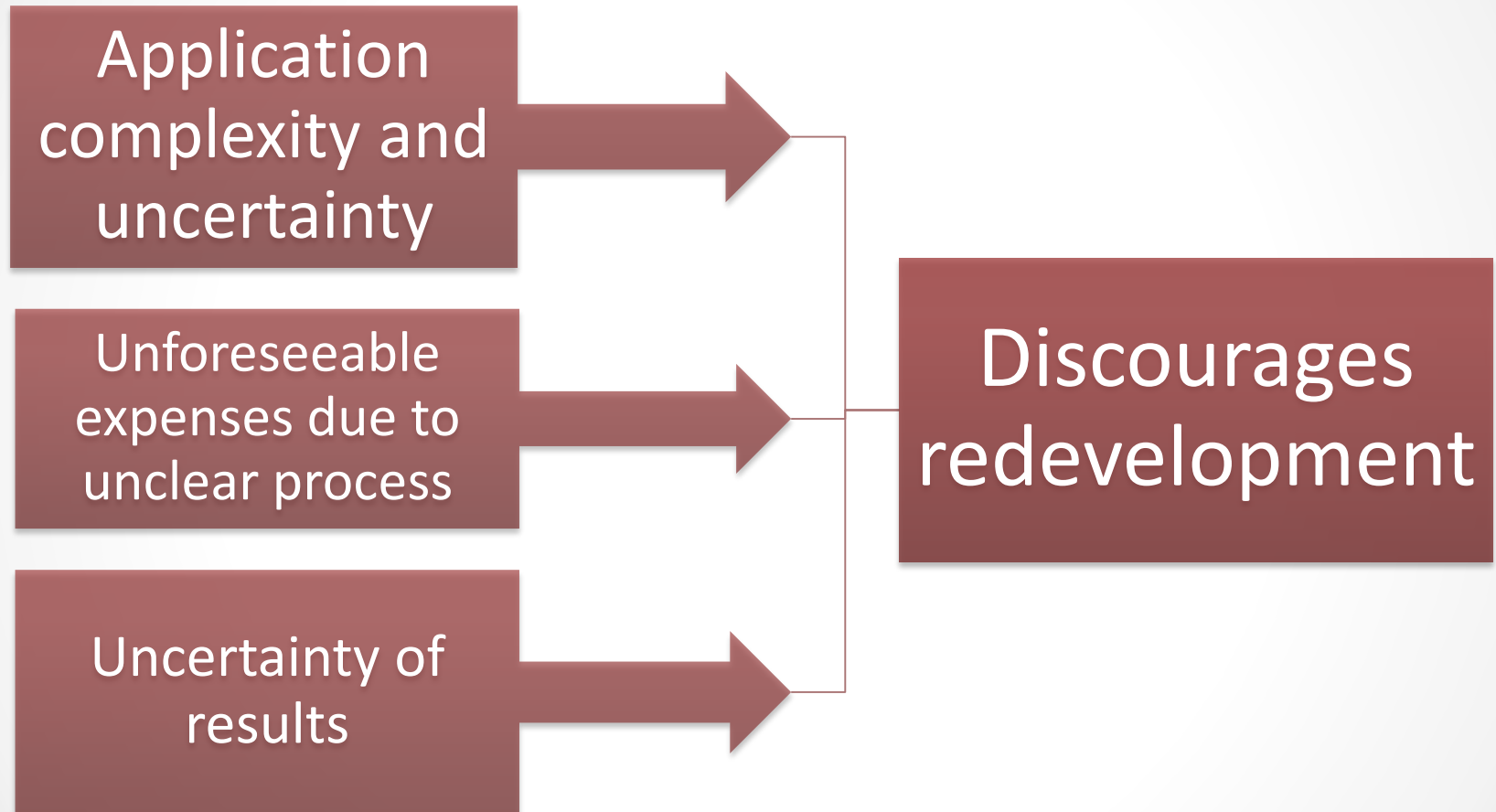
Developer
has to
purchase land

Potential
outcome
unknown

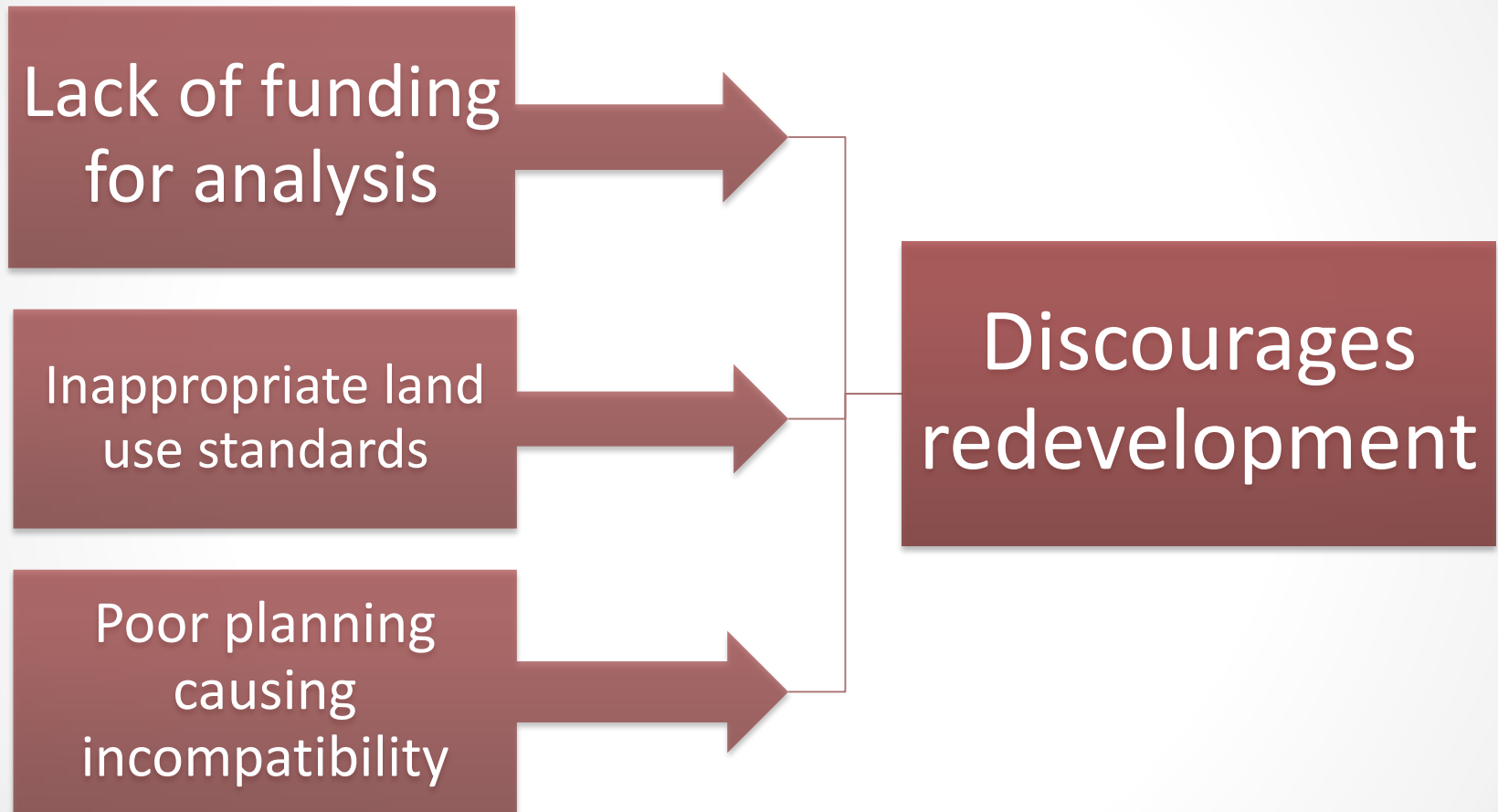
FEAR

Risk losing
investment or
profit margins too
small to make
project worth
pursuing

Barriers Created by Planning



Barriers Created by Planning



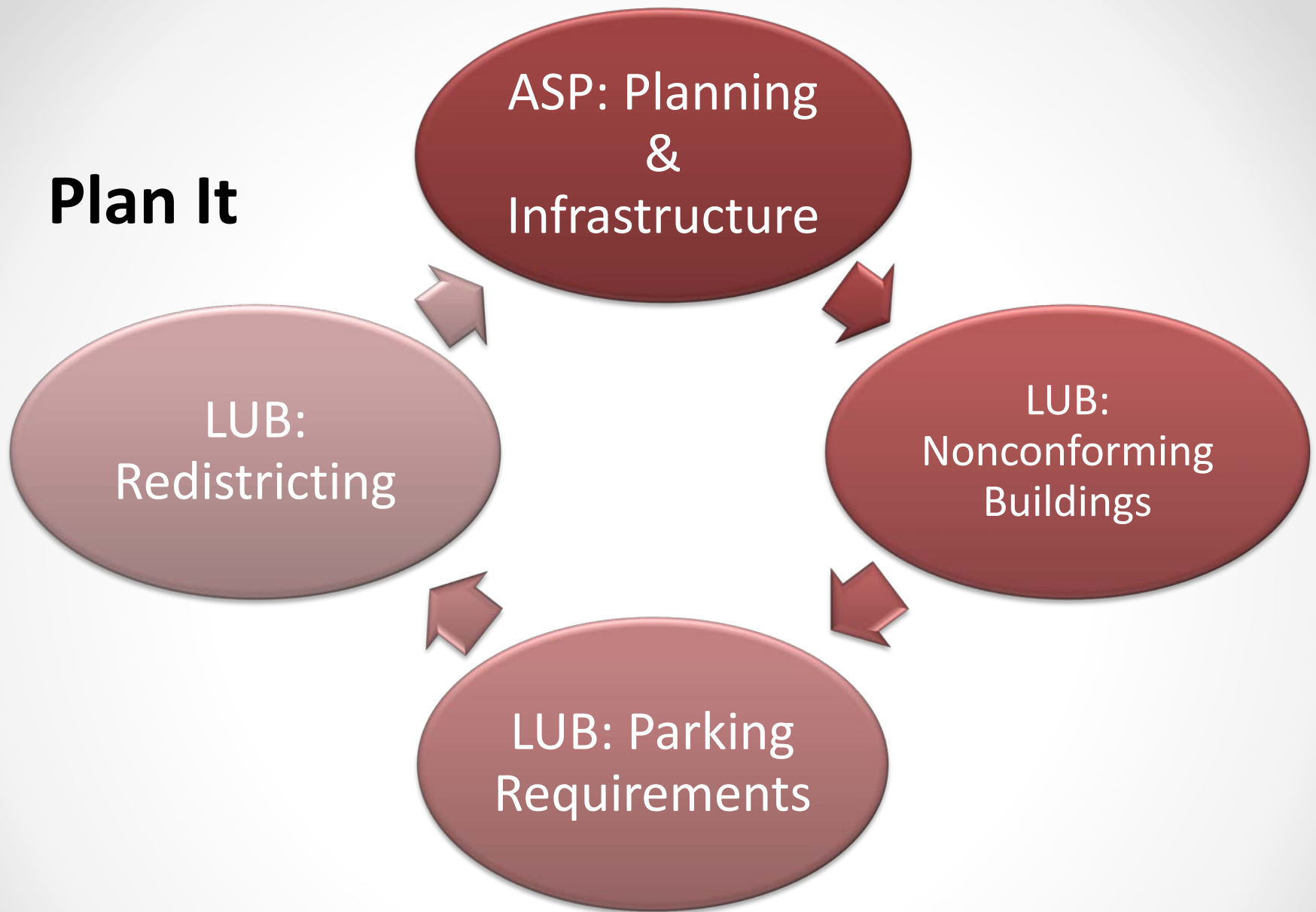
Solutions to Support Redevelopment

Take Stock

Ripe for
redevelopment?

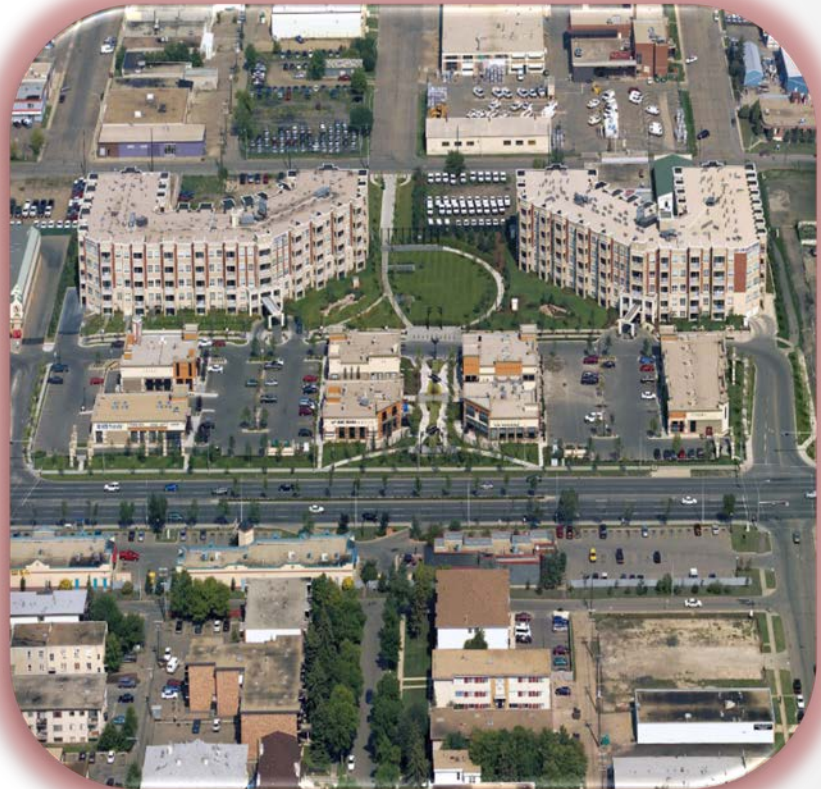
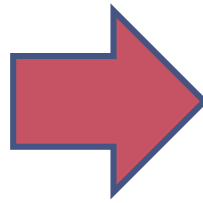


Plan It



Sequential Remediation/ Supervision

Remediate
brownfield in stages



Evaluate Financial Tools/Infrastructure

Cost
Comparison

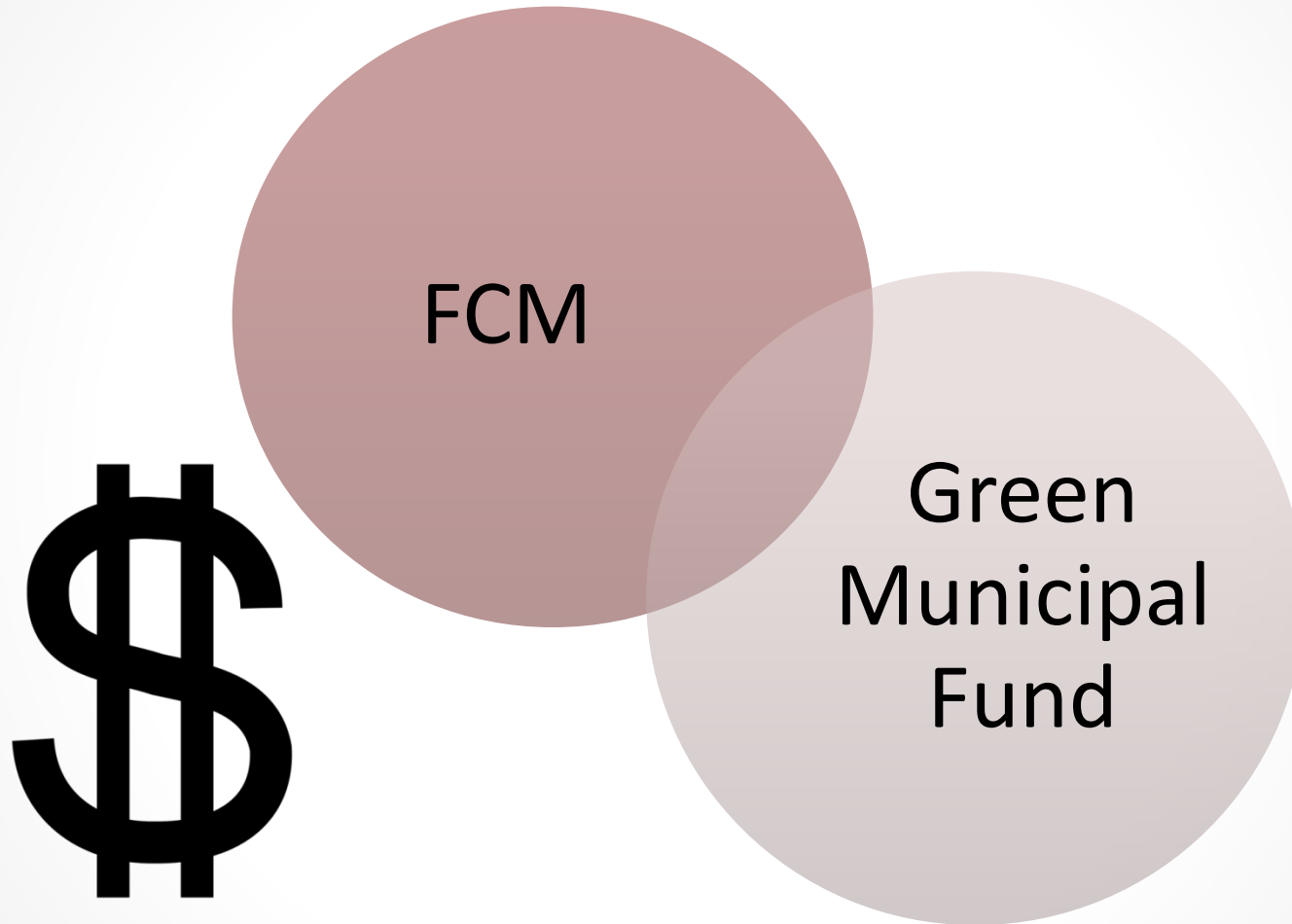
Local
Improvement
Tax

Off Site Levy

Generally
Available
Infrastructure

Community
Revitalization

Programs/ Funding



Success Story # 3: Town of Cochrane – Successful Redevelopment



Domtar
Site

The
Quarry

Before: 2010





Domtar wood
treatment facility:
coal tar/creosote
mixture



During



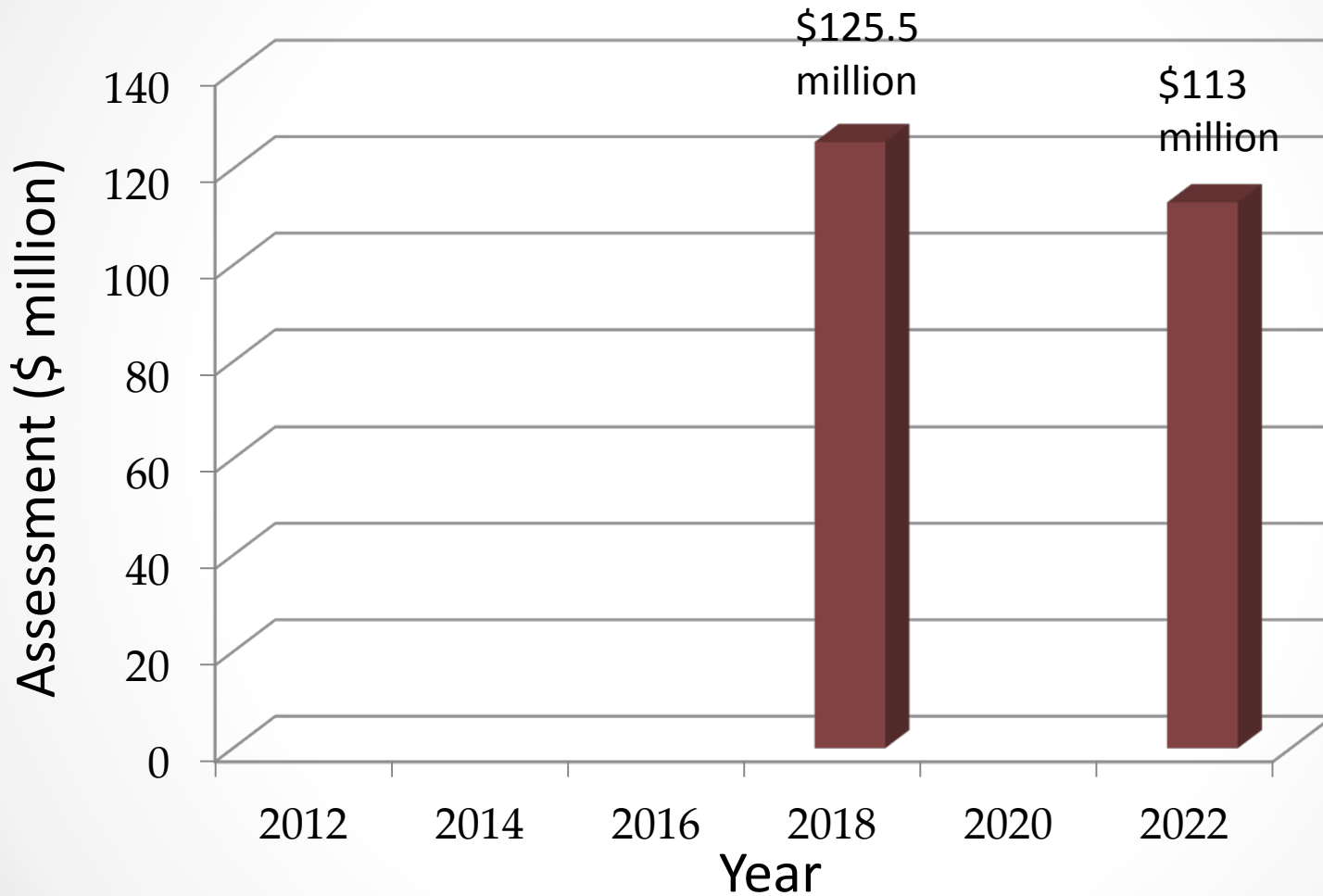
After: Current Development



New Business Since 2011 In & Around the Quarry



Projected Assessment Increase



SHORT SNAPPERS

#1: Increase Permitted Uses



#2: Get Your Development House in Order

Standard Development Agreement

Utility Right-of-Way Agreement

Road Dedication/ Widening Agreement

Purchase & Sale Agreement

#3: Development Agreement

Same
agreement as
neighbouring
municipalities



#4: Streamline Planning Process



Enhance
administrative
approvals

Questions?



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