Community Planning – Development Engineering Bulletin
April 5, 2024

Subject: Performance Security Standardization – Effective: April 5, 2024

Effective April 5, 2024, we are implementing a standardized method of calculating performance securities for residential development agreements (onsite only), limited to Tier B Developer's.

A standardized construction cost per hectare of $600,000 will be multiplied by the subdivision's assessable area (including surrounding roads, excluding Environment Reserve) to determine the overall construction cost. The required performance security as a part of the development agreement will be based on the percentage associated with the Developer's tier of the overall construction cost. The standardized method will be applied to all projects that meet the eligibility criteria.

Eligibility Criteria:
For a project to be eligible for the standardized method of calculating performance securities, it must meet the following requirements:

- Residential Agreement
- Tier B Developer
- The project can only include one set of Construction Drawings
- The scope is contained within the Tentative Plan Boundary

For eligible projects, the Developer and Consultant shall still provide the City, through their Request for Development Agreement, a simplified breakdown of the total cost by Infrastructure Component. Under this method, we no longer require the estimate to be itemized within the infrastructure component including detailed quantities and unit rates, but rather a bottom-line cost for each infrastructure component.

It is encouraged that the Developer/Consultant team confirms the eligibility and amount on a case-by-case basis with the Strategist prior to beginning the process of obtaining the letter of credit or surety bond. This can be completed as early as the construction drawings and subdivision application are submitted and in circulation. If there are any changes to the area or scope through the review of the construction drawings or subdivision application that warrant a change to the security, the City reserves the right to request changes as required.

Ineligible Projects:
If the scope of a given Development Agreement includes any of the following items, it will disqualify the project from the standardized performance security calculation:

- More than one construction drawing
- Off-site infrastructure being constructed beyond the limits of the tentative plan
- Presence of a Stormwater Management Facility (Wet Pond, Dry Pond, Wetland, etc.), Pumphouse, or Lift Station
- Commercial or Industrial Agreements

For projects containing any of the above items, the performance security will be calculated as it is currently where it is based on the project specific construction costs. Meaning, as a part of the development agreement

application, detailed construction cost breakdowns by the infrastructure component using DA unit rates are required to be reviewed by the Strategist prior to security determination.

The construction cost per hectare rate of $600,000 per hectare will be reviewed, adjusted, and set annually at the time the Development Agreement Terms & Conditions is signed for the following year.