

	Council Policy		
	Classification Public Works		Policy No. PW 2.13
	Policy Title Road Construction – Cost Sharing		
	Approved By: Council	Effective Date: September 1, 2005	Revisions:

Purpose

To establish the criteria for cost sharing or in-kind services by the County of Stettler No. 6 between the County of Stettler No. 6 and the Applicant requiring Primary Road construction on road allowances as a condition of a development permit or subdivision approval for a residence. (The Applicant is the party initiating road construction but does not include a developer of a multi-lot subdivision, an agriculture operation, a commercial or industrial development or an oil and gas facility). Primary Roads are municipal roads owned and/or maintained by the County of Stettler No. 6).

Statement

Council, upon request from an Applicant in the County of Stettler No. 6, may authorize the cost sharing or in-kind services for municipal road construction, subject to the following procedures Procedure

Procedure

IN-KIND SERVICES WITH COUNTY OF STETTLER NO. 6 ROAD CONSTRUCTION EQUIPMENT

1. When a development permit or subdivision application review determines that an applicant is required to upgrade a road to the County's specifications, the applicant may apply to the County of Stettler No. 6 for the County of Stettler No. 6 to construct the required road with its municipal road construction equipment, at the cost of the applicant. The County of Stettler will provide this work at actual cost as cost accounted by administration.
2. The County will provide an estimate of the cost of and a time schedule (this will be on first come first basis) for the work applied for in the application. The applicant must agree to the estimated fee and the time schedule for the work prior to approval of the development permit or subdivision, however, there is no guarantee on the time schedule (see paragraph 5).

3. The application for in-kind services must be approved by resolution of Council or the Municipal Planning Commission at the same time as the approval of the development permit or subdivision.
4. The applicant must pay the estimated fee to the County for the work prior to construction by the County. If the estimated fee is more than the actual cost the difference will be refunded to the applicant. If the cost is higher than the estimate the applicant will only pay a maximum as was provided for in an estimate.
5. The time schedule may be altered as determined by the Director of Public Works due to weather and road conditions. The applicant may choose to proceed on their own with the road upgrades to the County's specifications. If this occurs the deposit of the estimated fee will be returned to the applicant with interest at the County's going bank rate.
6. The County of Stettler No. 6 has the right to refuse any such request if the County determines that the request may be impractical to construct.
7. In-kind Services with County of Stettler Road Construction equipment is not eligible for additional cost sharing assistance.
8. In-kind Services provided by the County of Stettler Road Construction equipment is not subject to the requirements of a Development Agreement, a Construction Completion Certificate, a warranty period or a Final Construction Completion Certificate.

COST SHARING ASSISTANCE

When a development permit or subdivision application review determines that an applicant is required to upgrade a road to the County's specifications, the applicant may choose to proceed with road construction on their own and not choose to apply for In-kind services with County of Stettler Road Construction equipment, however, they would be responsible for their own cost to upgrade the road to County specifications and would have to apply for cost sharing up to \$10,000 per application.

1. The Applicant must complete and submit to the County Office a letter of request for cost sharing services, noting legal description of the property and details regarding the road to be constructed, such as road cross-section, design criteria, construction specifications, construction schedule, invoiced construction cost, and any other relevant expenditures. The applicant must engage the services of a road construction contractor for all road construction work. Only invoiced expenditures will be cost shared.
2. The Applicant must comply with the provisions of Public Works Policy 2.9 – Road Construction.
3. No road construction work shall commence prior to the execution of a Development Agreement between the County of Stettler No. 6 and the Applicant. If road construction starts without the benefit of a Development Agreement there will be no cost sharing.
4. The road will be constructed in accordance with County of Stettler No. 6 standards. Refer to Policy 2.10 – Road Specifications for more information.
5. Cost sharing will be set at a maximum of 50% to be incurred by the County of Stettler No. 6, to a maximum contribution of Ten Thousand (\$10,000.00) Dollars. The amount of cost sharing must be approved by Council. The Applicant will be responsible for the remainder of the costs of road

construction. During the two-year warranty period for the road construction until the issuance of a Final Acceptance Certificate, the County may hold back one half of its cost sharing contribution as a security deposit or the Applicant may pay the security deposit in cash or letter of credit. Upon the release of the security deposit the County shall pay to the Applicant interest at the County's usual bank rate for the period that the security deposit was held (except for a letter of credit).

6. For road construction projects of \$20,000 or less, i.e. where the County's cost share does not exceed \$10,000, cost sharing shall be offset against the required security deposit, in other words no security deposit is payable at the execution of the development agreement and similarly, cost sharing shall not be requested or granted until a Construction Completion Certificate (CCC) has been issued by the County. Once the CCC has been issued, half of the County's cost share (or 25% of the construction cost) may be paid out to the developer, while the other half shall be retained for the two year warranty period until the County issues a Final Acceptance Certificate (FAC). Upon issuance of the FAC the developer must request the remaining half of the County's cost share. The amount owing to the developer will include interest for the two year warranty period.
7. For road construction projects exceeding \$20,000, the County's cost share shall still not exceed \$10,000. At the time of executing the development agreement a security deposit in the amount of 50% of the estimated construction costs in the form of either cash or an irrevocable letter of credit shall be provided by the developer to the County, which shall be set up to be automatically renewed every year, with 60 days notice by the bank in the event that the letter of credit will not be automatically renewed. Once the Construction Completion Certificate has been issued, the security deposit credit may be reduced at the discretion of the County but a minimum of 25% of the actual construction cost shall be retained by the County as a security deposit for the two year warranty period until the County issues a Final Acceptance Certificate (FAC). Cost sharing shall not be requested or granted until a Final Acceptance Certificate (FAC) has been issued by the County. Upon issuance of the FAC the developer must request cost sharing from the County.
8. Under no circumstances will the County accept post-dated cheques or any other method of payment as a security deposit.

Policy Authorization

Reeve Signature	Effective Date	Resolution Number
<i>transcription</i>	September 1, 2005	