



Arctic Development
Library

***Councillor's Handbook To Municipal Land
Development***

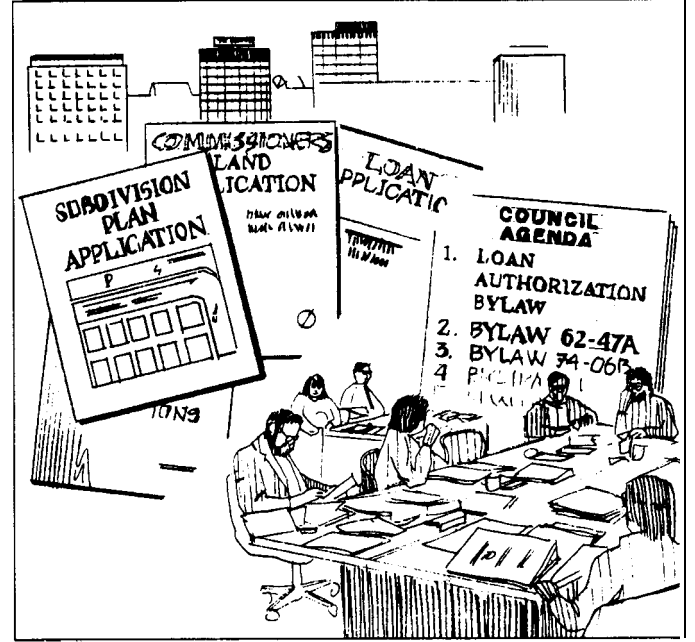
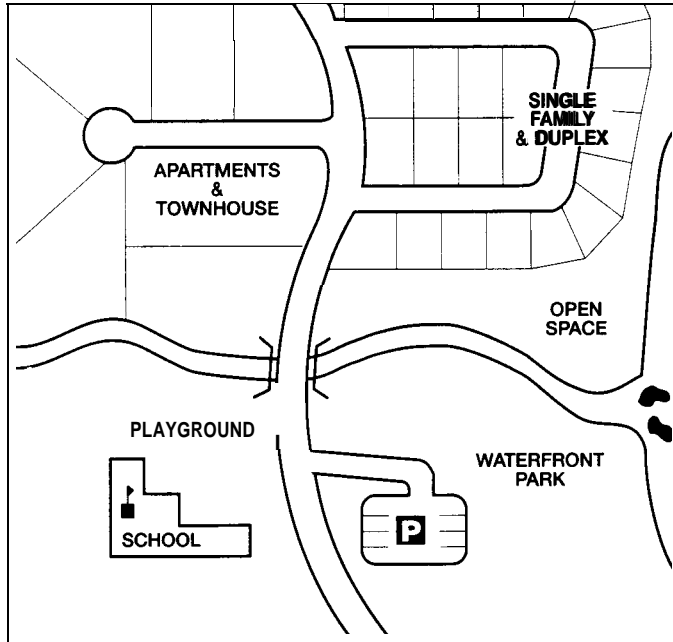
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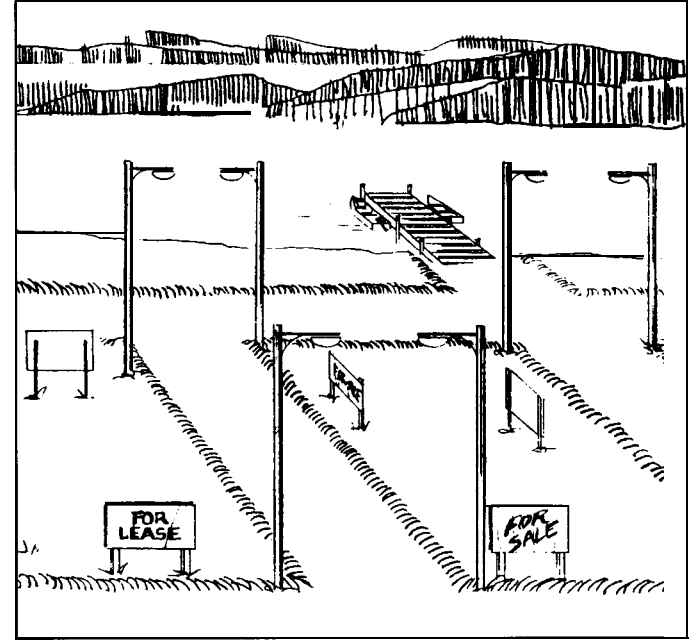
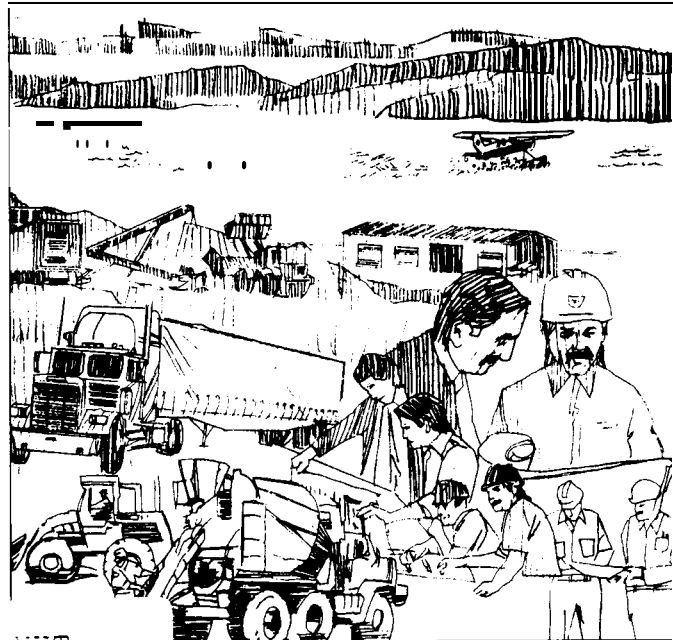
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COUNCILLOR'S HANDBOOK TO MUNICIPAL LAND DEVELOPMENT



PLANNING

APPROVALS



CONSTRUCTION

LOT SALES/LEASE

Division of
Community
Planning



Preface



WHO IS THE HANDBOOK FOR?

The Councillor's Handbook to Municipal Land Development is a guide for Councils who are undertaking a land development project in their community.

This Handbook will provide answers to the following questions:

- What is Municipal Land Development?
- What is the role of the municipality and Council?
- What is the role of the Government of the Northwest Territories?
- What are the steps associated with municipal land development?
- Who do I talk to for more information?

The Handbook is not meant to be a technical, staff level, how-to-do-it handbook, but rather an introduction suited to the decision making role of Council. Key decision points for Council are identified throughout the land development process.

WHAT IS IN THE HANDBOOK?

The Handbook is divided into three parts:

1. Background contains a discussion of what land development is, why Councils develop land, and the laws that govern municipal land development.
2. Land Development Process takes Council through the four basic phases in a municipal land development project:
 - **PLANNING** - Developing a Project Plan
 - **APPROVALS** - Land, Financing and Subdivision
 - **CONSTRUCTION** - Tendering and Construction Supervision
 - **LOT SALES** - Selling or Leasing the Lots
3. Where to obtain more information contains the name, address and telephone numbers of contacts for further information.

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Background

MUNICIPAL LAND DEVELOPMENT - WHAT IS IT?

“Land Development” usually means creating building lots by constructing roads, sewer and water services on previously undeveloped land. It also often includes the preparation of the site with fill, drainage systems, street lighting, telephone and power services, and paving.

“Municipal” refers to the development of land owned or being squired by the local government. Municipal land development is therefore distinct from development of private lands by private land owners.

WHAT IS THE PRINCIPAL OBJECTIVE IN MUNICIPAL LAND DEVELOPMENT PROJECTS?

The principal objective of a municipal land development project is to provide serviced land in the right place, at the right time, at the lowest possible cost. Municipal land development projects are completed on a non-profit basis by the municipality to pass the benefits of serviced land to the general public.

MUNICIPAL LAND DEVELOPMENT - WHAT IS THE ROLE OF THE COUNCIL?

Where the municipality is the land developer, Council is responsible for all aspects of a land development project.

As a land developer, Council makes many key decisions. These decisions would include, for example:

- how much land to develop
- which types of lots to create
- where to site the development
- where to obtain development financing
- whether to sell or lease the land
- land pricing
- who is to contract and construct the project

Good planning decisions by Council will ensure approvals are obtained in good time, construction costs no more than it should and lots are sold or leased at the right price.

Council is also responsible for obtaining all necessary approvals from the GNWT and conducting the work in accordance with Territorial legislation, regulations and policies.

Key decision points for Council occur in each phase of the project. These are identified in the next section, “Land Development Process”.

MUNICIPAL LAND DEVELOPMENT BY LOCAL GOVERNMENT - WHAT IS THE LAW?

Land Development by local governments is subject to a number of Acts in the Northwest Territories with which Council is already familiar.

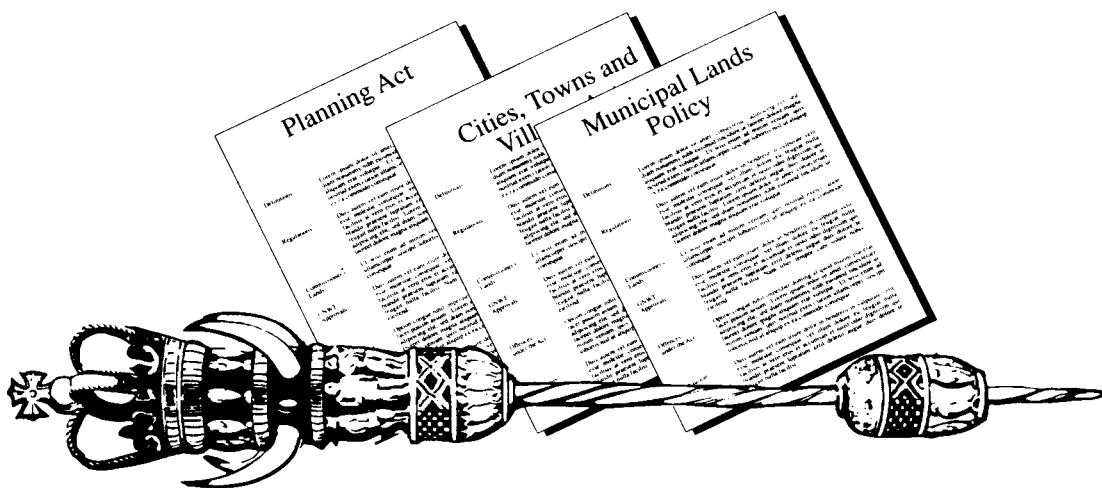
The Charter Communities Act, and the Cities, Towns and Villages Act set out the conditions under which loans (long term, unsecured loans) may be used for land development financing.

The Planning Act sets out the requirements for Community Plan, Zoning Bylaw and subdivision approvals. A municipal land development project must conform to your Community Plan and Zoning Bylaw regulations.

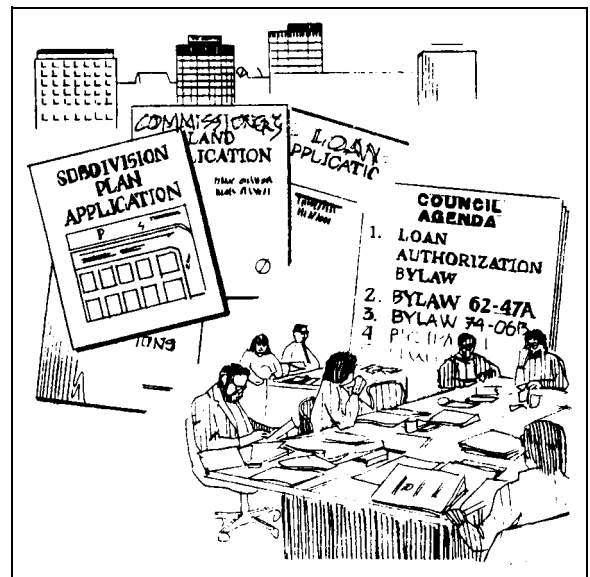
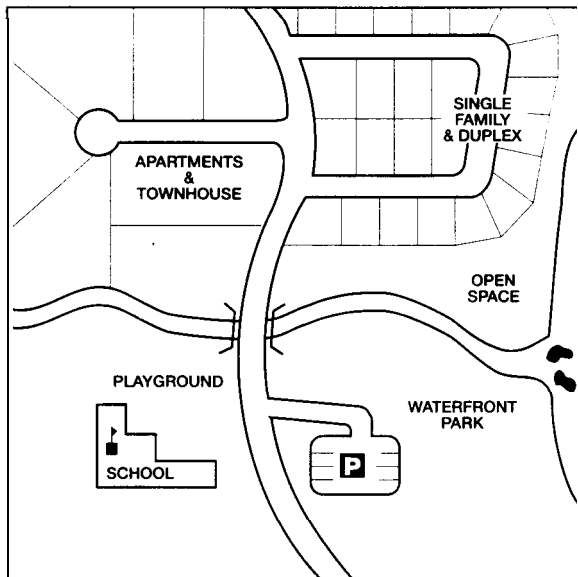
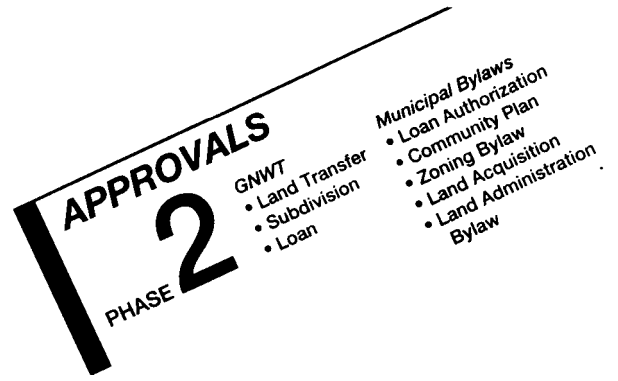
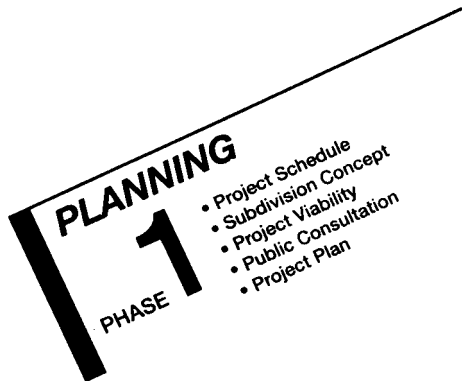
The Commissioner's Land Act, and the GNWT'S Municipal Lands Policy set out the procedures under which a municipality may obtain vacant Commissioner's Land for new land development projects (i.e. GNWT public land). In addition, the Municipal Lands Policy also includes requirements for the pricing and disposal of new lots.

The Land Titles Act sets out the procedures for the transfer (sale) of land to the public.

Council should look to municipal staff to ensure that the provisions of these and other Acts and Policies are complied with in the course of planning and implementing a land development project.



Overview: The Four Phases of the Land Development Process

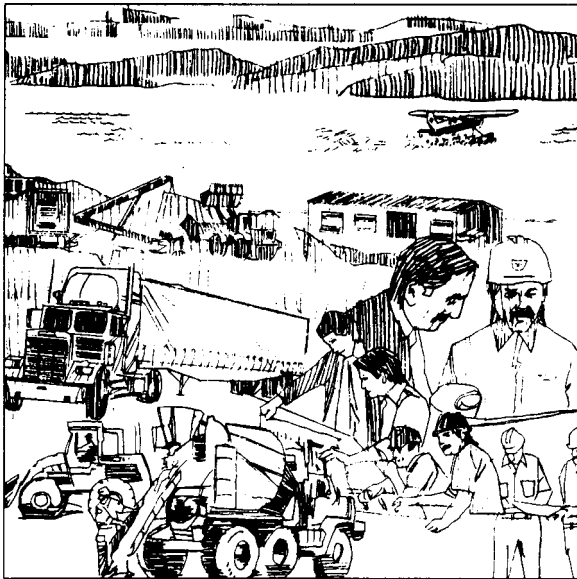


Some points for Council to keep in mind throughout the project are:

- The first phase, planning, is the most critical phase to the success of the project.
- Each phase should be largely complete before moving to the next phase. This is particularly true with the approval phase. The greatest cost commitment is made with the onset of construction, which should not begin until the necessary GNWT approvals are in place.

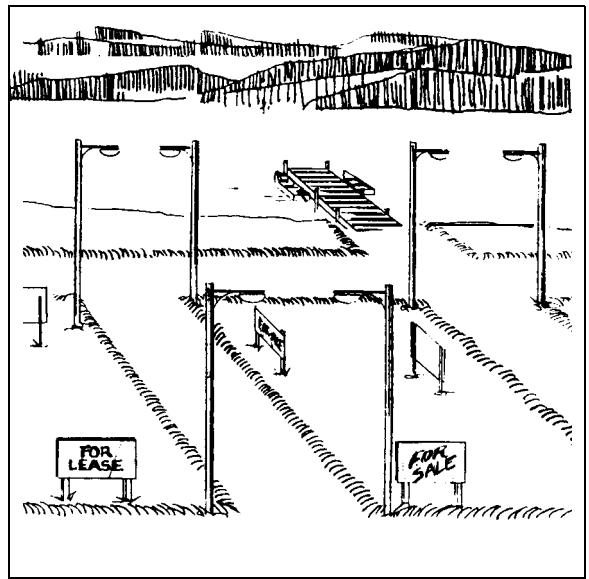
CONSTRUCTION
3
 PHASE

- Engineering Design
- Tendering
- Construction
- Survey and Title



LOT SALES OR LEASE
4
 PHASE

- Land Disposal Bylaw
- Marketing and Lot Sales/Lease
- Loan Repayment



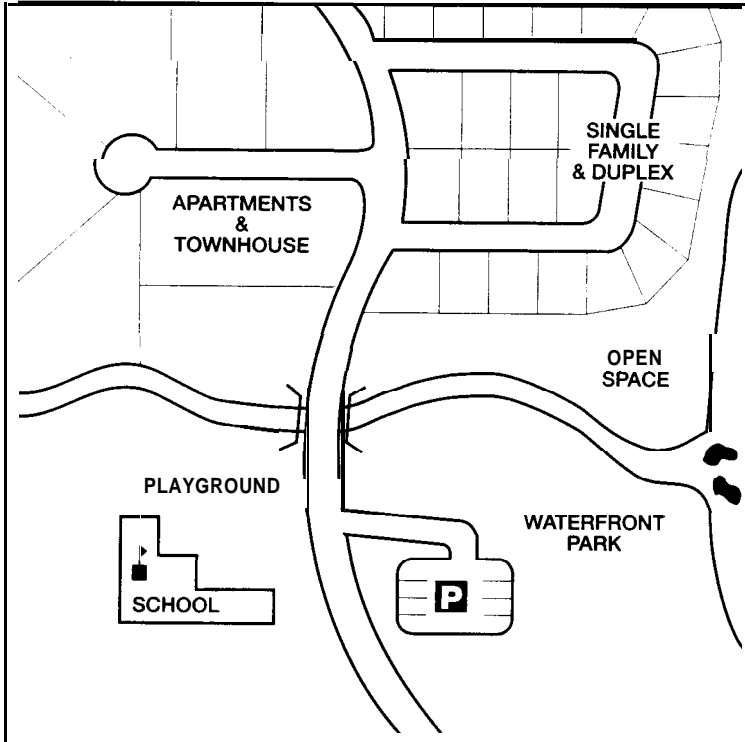
- It is desirable that Councillors anticipate events. Although commitments to the next phase or part of the project should not occur until the present one is complete, the laying of ground work for upcoming events can help avoid delays and minimize costs.

- Each phase will require Council's approval at key decision points. Sound decisions at each phase are necessary for the success of the next phase of the project and for the success of the overall land development project.

PLANNING

- PHASE 1**
- Project Schedule
 - Subdivision Concept
 - Project Viability
 - Public Consultation
 - Project Plan

Cost Commitment



The Subdivision Concept Plan

In the planning phase of the project, the key decision point for Council is approval of the "Project Plan".

The Project Plan, prepared by staff, will contain all the information, research, and analysis necessary for a project to proceed. The Project Plan's preparation will likely involve the consideration of several development options perhaps over several reports before a final alternative is chosen. When complete, the Project Plan will also provide the basis for seeking GNWT approvals.

A good Project Plan will contain a comprehensive description of all the elements of the project, including an analysis of the financial aspects of the project.

The Project Plan should:

- i) Assess the demand for lots by land use type - present and future (next five years),
- ii) Identify and confirm the availability of the site for development,
- iii) Discuss community Plan and Zoning Bylaw - Land use and development regulations,
- iv) Propose land use types and mix,
- v) Indicate the type of servicing,
- vi) Show site ownership,
- vii) Propose subdivision design,
- viii) Identify project managers, builders, and supervisors,
- ix) Propose a project schedule,
- x) Evaluate estimated construction costs,
- xi) Indicate estimated lot price, and
- xii) Perform a financial analysis - proposed project budget.

A thorough Project Plan will minimize the "unknowns" of a project and guide the project to probable success.

Some frequently asked questions during the planning phase of the project include:

- How far ahead should lots be provided under the Project Plan?

Land development projects usually have a five to eight year planning cycle. A land development project will take a minimum of two, and perhaps three years from planning to the first lot being available for sale. The number of lots created should be no more than that which can be sold or leased over a two or three year period. For these reasons, five years is a good overall project planning period.

- Where should we build the new lots?

The Community Plan should identify an area for future development and provide other guidance. The availability of land is also a factor.

- Should the project be phased? (i.e. built in stages)

Project phasing offers flexibility to adapt to changing market demands for new serviced lots. Project phasing allows longer term, more comprehensive planning, without high capital commitments and high risk that the lots that have been built cannot be sold. The next phase of the development should not be constructed until at least 75% of the existing

lots are gone and demand surveys indicate more are needed.

- Is the project viable?

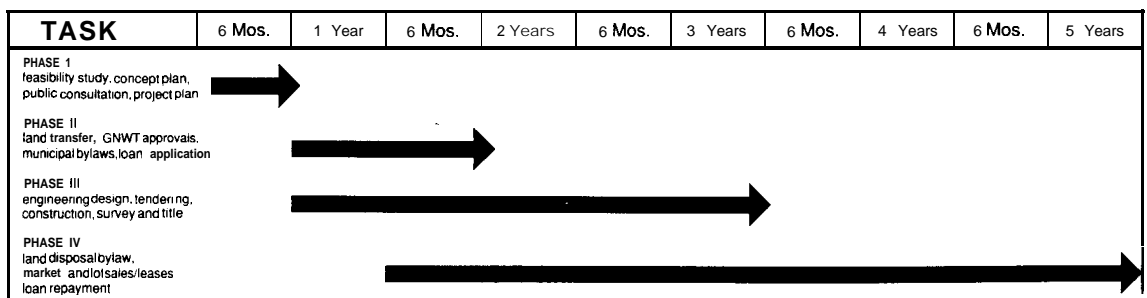
If lots are not sold in the time period projected, or if the cost to build the subdivision is greater than projected, extra costs will result.

To determine project viability, some marketing analysis is required to determine if the lots can be sold or leased at the projected price over the planned period. If it appears that the lots will not sell/lease at the projected price, it will be necessary to re-evaluate the project.

Alternative design, fewer lots, lower standards of servicing, project phasing, or other alternatives to make the project viable will need to be found before proceeding. It may be necessary at this point to go back to the beginning of the planning phase and begin again with a new or modified Project Plan.

Council, in approving the Project Plan, should have confidence that all the right questions have been asked and answered, and that barring unforeseeable circumstances, the project will proceed as planned and within budget.

MUNICIPAL LAND DEVELOPMENT WORK SCHEDULE - TIME LINE



Creating a Subdivision Concept

The most prominent and important part of a Project Plan is the Subdivision Concept. The subdivision concept is the proposed plan showing where the new roads and lots will be constructed.

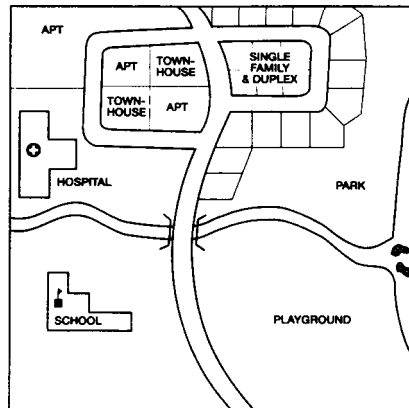
Community Plan

Goal
 Lower stream bank of creek, construction
 maximum protection of

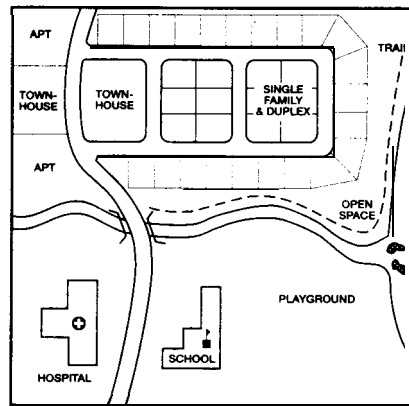
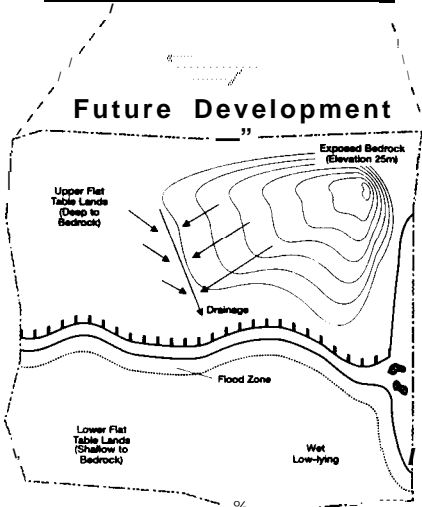
Objectives
 One stream bed, bank slope to be improved to
 prevent erosion, and
 one stream bank slope to be improved to
 prevent erosion, and

Policies
 One stream bed, bank slope to be improved to
 prevent erosion, and
 one stream bank slope to be improved to
 prevent erosion, and

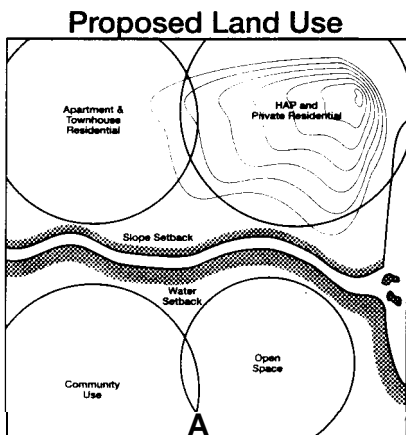
Existing Development



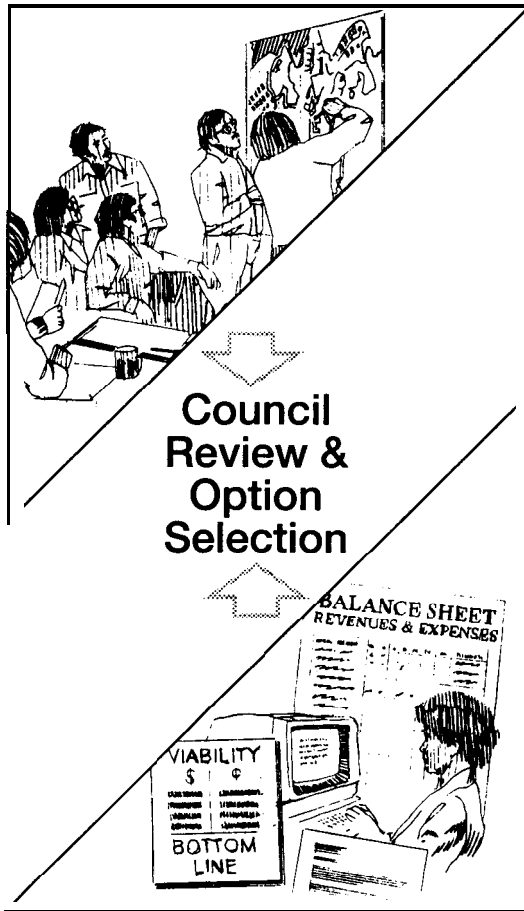
Option 1



Option 2

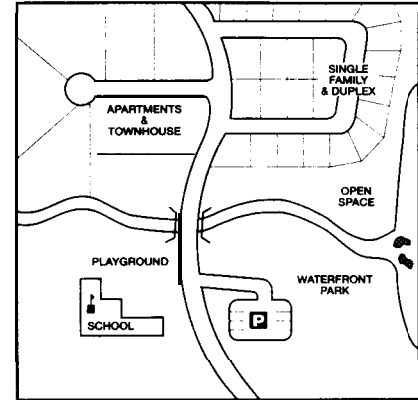


Public Consultation

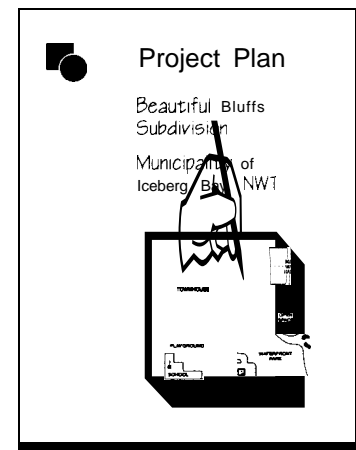


**Council
Review &
Option
Selection**

Project Viability



Final Subdivision Concept



**To Project Plan
Approvals**

APPROVALS

Cost Commitment

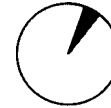
PHASE 2

GNWT

- Land Transfer
- Subdivision
- Loan

Municipal Bylaws

- Loan Authorization
- Community Plan
- Zoning Bylaw
- Land Acquisition
- Land Administration Bylaw

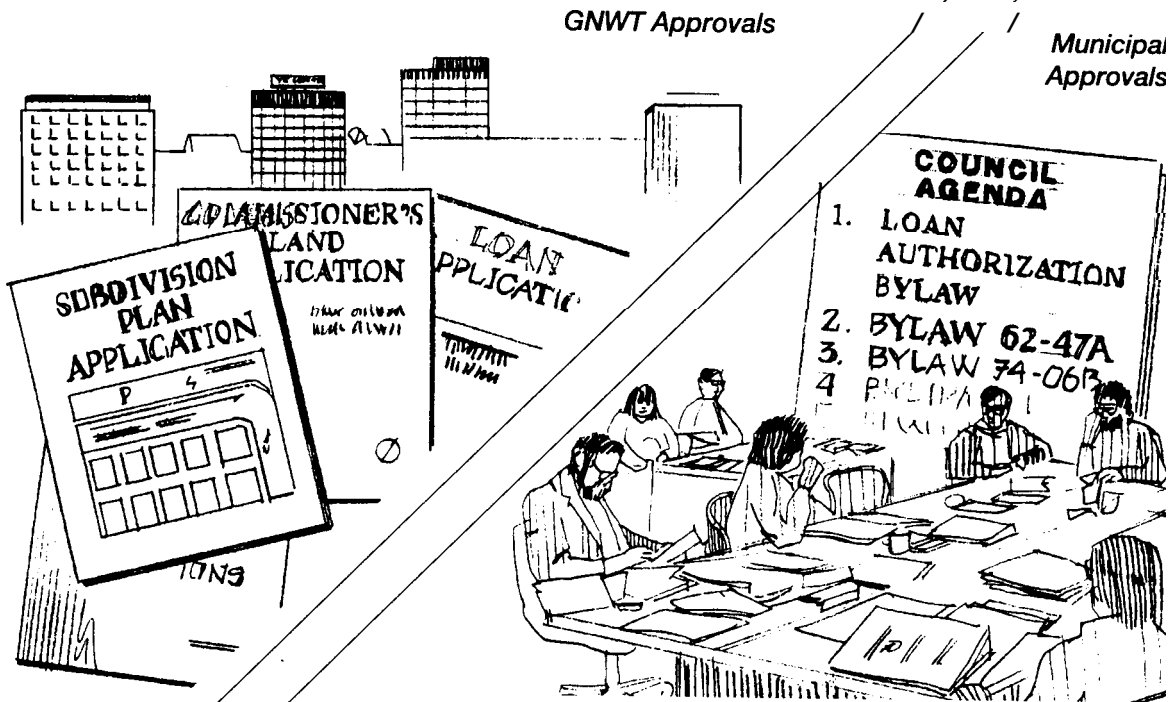


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Once Council has finalized its Project Plan, implementing the Project will likely require the adoption of several bylaws and approval from the GNWT of a number of other project-related applications. All the project-related approvals that may be required are discussed below.

Possible GNWT approvals include:

- Transfer of Commissioner's Land
- Loan
- Subdivision
- Capital Grants and Contributions



Council's key role during this phase of the project is to ensure that all necessary applications are submitted to the GNWT in ample time and that the necessary bylaws are considered and adopted by Council without delay.

Possible Municipal approvals include:

- Borrowing (loans) Bylaw adoption and ratepayer assent
- Community Plan and Zoning Bylaw amendments (if necessary)
- Land Acquisition Bylaw
- Land Administration Bylaw

Municipal Approvals

Municipal Bylaw Approvals include:

a. Loan Authorization Bylaw and Ratepayer Approval

Council may, by bylaw, authorize the Municipality to borrow money on a long term basis for land development. This Bylaw must be enacted before a loan application can be given final approval.

Unless exemption is received from the Minister of Municipal and Community Affairs, a loan authorization bylaw requires ratepayer assent (approval). At the same time as the municipality applies for a GNWT loan, Council may also request an exemption from ratepayer assent.

b. Community Plan and Zoning Bylaw Amendments

If the project does not conform to either the Community Plan or Zoning Bylaw, amendment bylaws must be enacted. Such amendment bylaws should be submitted together with other project related applications (i.e. subdivision, loan, etc.) to the GNWT.

c. Land Acquisition Bylaw

Unless the Municipality already owns the land, Council must (by Bylaw) authorize the municipality to acquire the land.

d. Land Administration Bylaw

As a pre-requisite to the disposal (sale/lease) of any lots created, the municipality must have adopted a bylaw outlining its overall land administration policies and procedures.

GNWT Approvals



Although for purposes of explanation this Handbook has broken the **GNWT** approvals into three different parts, the project will be evaluated as a whole by the **GNWT**. Application for all three approvals should be submitted at the same time.

a. Transfer of Commissioner's Land

Unless the Municipality already owns or controls the land to be developed, the Municipality must apply to the GNWT for a transfer of land ownership.

Presently, the Commissioner's Land Act, and the GNWT's Municipal Lands Policy administered by the Lands Division of the Department of Municipal and Community Affairs, outlines the conditions under which municipal land is turned over to Municipalities for development and sale or lease.

The Municipal Lands Policy outlines such things as the pricing of undeveloped and developed land and the procedures for the sale or lease of new and existing municipal lots.

In order to obtain Commissioner's Land for land development purposes, the municipality must enter into a Land Administration Agreement with the GNWT, and have enacted a local Land Administration Bylaw.


b. Subdivision Approval

Prior to construction, Council must obtain "Preliminary Approval" of the Plan of Subdivision by making application to the Community Planning Division of the Department of Municipal and Community Affairs, GNWT. The subdivision design concept of the Project Plan should form the basis of the subdivision application.

*c. Land Development Loan - **Approval***

It is likely Council will require a GNWT loan to finance the construction of the project. Loan approval may be obtained by making application to Municipal Operations and Assessment Division of the Department of Municipal and Community Affairs, GNWT. The Project Plan should accompany the application. The project's viability will be the principle consideration in evaluating the proposal.

Some parts of the sewer, water and road services to be built maybe eligible for GNWT construction grants and should be identified in the course of project costing prior to applying for a loan. These include such things as trunk mains, lift stations, service oversizing, portions of arterial roads, etc.



Upon receipt of the municipality's applications for Commissioner's Land, Loan Borrowing and Subdivision Approval, the GNWT will review all applications concurrently and within about 60 days issue a preliminary decision.

Coordination of GNWT and Municipal Approvals

While applications to the GNWT are under review, it is essential that Council consider and enact project related bylaws. Some key relationships between the GNWT and Municipal approvals are:

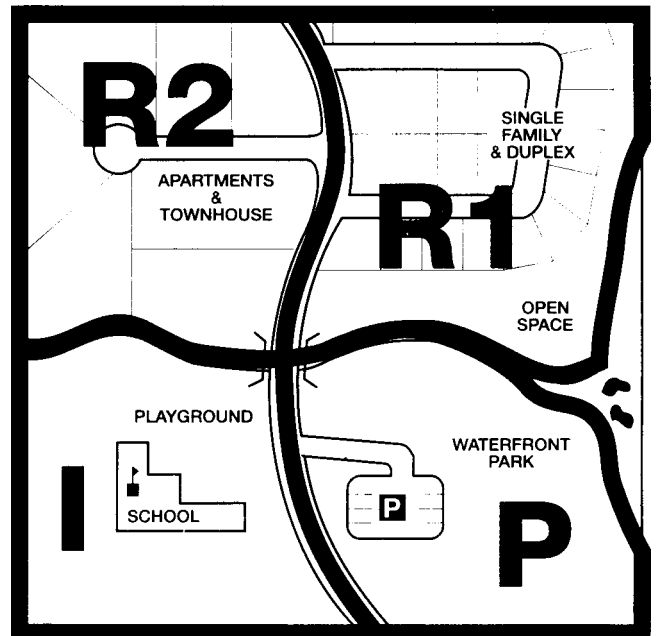
- The loan authorization bylaw, with ratepayer assent, must be adopted prior to final loan approval.
- If required, Community Plan and Zoning amendment bylaws must receive Ministerial approval before final subdivision approval can be obtained and before construction can begin.

Though preliminary approval may be obtained in about 60 days, some Municipal and GNWT approvals may require approximately one year to complete. Council's objective in this phase of the project is to plan ahead to ensure approvals are in place and construction may proceed when planned.

ZONING BYLAW AMENDMENT

Legend

- R1 - Low Density Residential*
- R2 - Multiple Residential*
- I - Institutional*
- P - Park and Open Space*



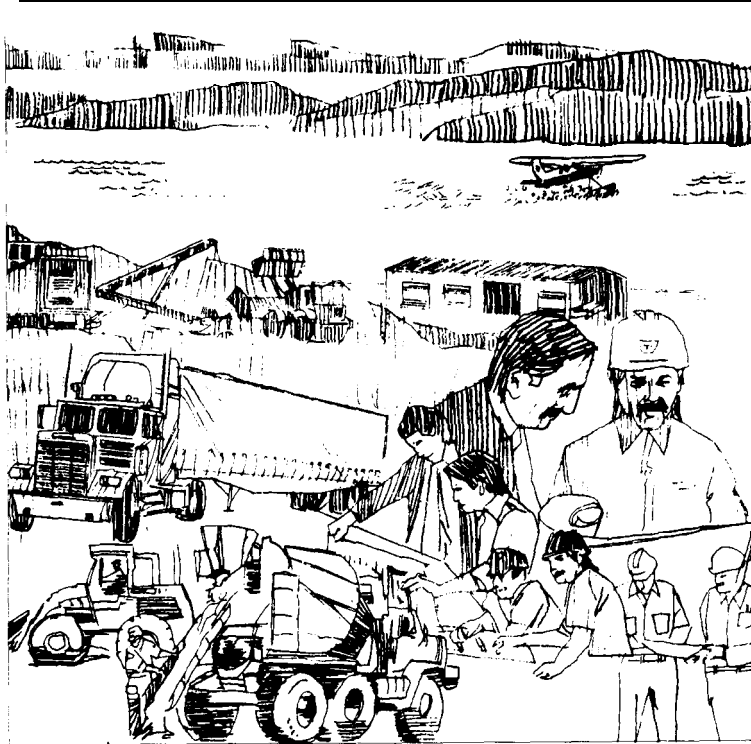
Months -2+

CONSTRUCTION

PHASE 3

- Engineering Design
- Tendering
- Construction
- Survey and Title

Cost Commitment



Subdivision Lot Construction

The steps in the construction phase are:

- . Engineering design
- Tendering construction
- . Construction
- . Survey and title

Management of the project's construction will fall largely to municipal staff. Council, however, should be satisfied that project tendering proceeds on time and that the tendered costs for construction fall within the planned budget.

Serious cost overruns can often be anticipated and avoided at this stage of the project.

The steps in the construction phase are described 'briefly below.

i) Engineering Design

Once you have received funding and subdivision approval from the GNWT, engineering design and construction drawings need to be prepared. The services of an engineer will be required to prepare the engineering construction drawings.

ii) Tendering for Construction

The subdivision can be constructed by municipal staff if the project is small and staff resources and equipment permit. More likely, Council will award the construction of the project to a private engineering/construction firm. Awarding the construction contract to the same firm that completed the design work may be the most cost effective.

Council should ensure tender awards are consistent with the Project Plan budget.

iii) Constructing the Project

Supervision of construction will be required if the work is contracted to a private firm. Project supervision can be completed by Municipal staff or by contract to an engineering firm other than the one doing the construction.

iv) Survey and Title

After construction and before any lots are sold or leased the subdivision must be legally surveyed. All of the following steps must be completed before the sale or lease of lots:

- Preliminary Approval of Subdivision Concept
- Legal Survey of Subdivision
- MACA Approval of Plan of Subdivision
- Legal Plan of Subdivision
- Registration in Land Titles Office

A legal survey and legal Plan of Subdivision must be completed by a Canada Lands Surveyor. The municipality must hire a legal surveyor to do this work.

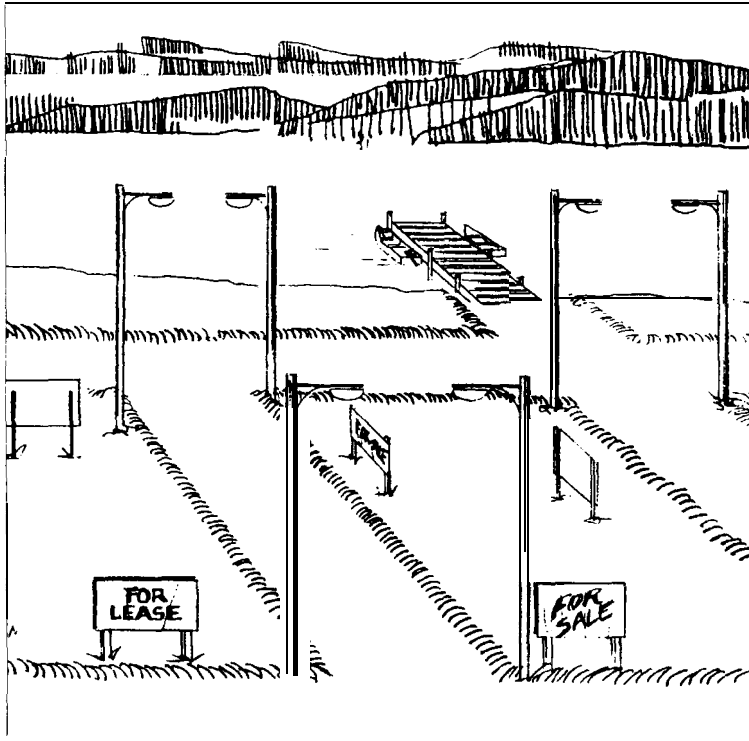
The registration of the survey plan at the Land Titles Office can take at least six months, and often up to one year. This time frame should be included into the overall project plan.

LOT SALES OF? LEASE

- Land Disposal Bylaw
- Marketing and Lot Sales/Lease
- Loan Repayment

PHASE 4

Cost Commitment



Finished lots for sale or lease

The steps in this phase of the land development project are:

- Land disposal bylaw adoption
- Marketing and lot sales or lease
- Land development reserve fund
- Repaying the loan

It is the revenue from the sale or lease of lots which will be used to pay for the project. Council's key interest in this phase of the project is to ensure lots are disposed of without delay. Once the developed lots have been surveyed and registered in the land titles office, the lots may be offered for sale or lease.

The steps in the lot sale or lease phase are described briefly below.

i) Land Disposal Bylaw

In accordance with the current municipal legislation, Council must enact a land disposal bylaw to permit the sale or lease of land to private persons. Anticipating registration of the Plan of Subdivision (final approval) by having the land disposal bylaw and other arrangements in place may result in earlier lot sales.

ii) Marketing and Lot Sales or Lease

The disposal or sale of municipal land by a municipality is subject to the Municipal Lands Policy. The Municipal Lands Policy requirements include:

- a. Available lots must be advertised in the community.
- b. The lots must be disposed of in a manner that provides equal opportunity for purchase or lease by all members of the general public. Ballot draw, public tender or proposal call are ways the municipality may dispose of public land.

iii) Land Development Reserve Fund

The Land Development Reserve Fund contains the receipts from lot sales or leases. All expenditures and other revenues associated with the project should be recorded in the reserve fund. This will allow the opportunity to see the financial accounting of the project. The Fund is used to repay the loan and to acquire and/or develop further land by the municipality.

iv) Repaying the Development Loan

Repayment of the development loan is usually linked to the sale of lots. Repayment of the loan principal is paid in equal installments over the period of the loan, or in larger lump sum payments when lot sales permit. The interest is paid on the outstanding balance of the loan in regular installments.

Where to Obtain Further Information

This handbook is intended to provide an introduction for Councillors to the land development process. Where further detail is required, Council is referred to the documents and GNWT sources identified below. The address and phone number of the departments referred to in the Handbook are found below.

For general information about subjects discussed throughout this handbook, please contact:

Community Planning Division
Department of Municipal and Community Affairs
Box 1320
Yellowknife, NWT.
XIA 2L9
(403) 873-7569

Inquiries concerning subdivision, Community Plan and Zoning amendment bylaws, and legal survey and registration of the plan of subdivision should also be directed to the Community Planning Division shown above.

For information regarding the Municipal Lands Policy and the transfer of land from the GNWT (Commissioner's land) to the Municipality contact:

Lands Division
Department of Municipal and Community Affairs
Box 1320
Yellowknife, NWT.
XIA 2L9
(403) 873-7571

For information concerning loan applications and borrowing and land disposal bylaws, contact:

Municipal Operations and Assessment Division
Department of Municipal and Community Affairs
Box 1320
Yellowknife, NWT.
XIA 2L9
(403) 873-7330

For information on available Grant Programs contact: Community Works and Capital Planning Division of the Department of Municipal and Community Affairs, GNWT.

GNWT staff identified in this Handbook would be pleased to provide what ever assistance Council may request.