

AGENDA
Council of the Town of Lacombe
Council Committee Meeting
Monday, July 9, 2007 at 5 PM
in Council Chambers

Time Reference	Agenda Item
5:00	1. CALL TO ORDER
	2. BUSINESS
5:00	<u>61 Land Use Planning and Land Development</u> 61.1 Residential Land Development <ul style="list-style-type: none"> • Residential Land Development - Memorandum Land Development Proposal Residential Land Sale Policy Cost Summary
	3. ADJOURNMENT <u>Future Meetings</u> <ul style="list-style-type: none"> • July 23, 2007 - Regular Council Meeting

Town of Lacombe

MEMORANDUM

DATE: July 6, 2007

TO: Mayor Judy Gordon and Members of Council

FROM: Michael Minchin, Corporate Services Director

RE: Land Proposal

Ref #:

Further to the presentation to Council on June 18, 2007, Administration has reviewed the concerns from Council and have further expanded the concepts identified in the June 18, 2007 presentation.

As a result, a revised discussion paper has been prepared that includes a number of changes:

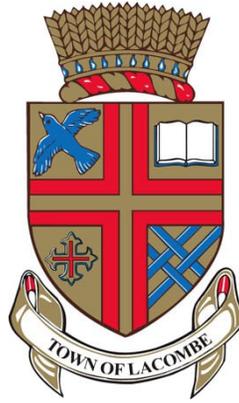
1. The general public and contractors sale opportunities were combined into one offering. Offering two differing pricing options would have been difficult to justify. As a result, only first time homebuyers would be offered lots for sale at below market.
2. Basic principles and objectives have been identified for four markets:
 - a. First time homeowners
 - b. General lot sale (individual and contractors)
 - c. Multi-residential developments issued via a request for proposal.
 - d. Affordable housing initiatives supported by Provincial grant funding.
3. A land sales policy has also been drafted outlining the terms and conditions of any sale of lots, be it through lot draw or request for proposals. This is a general policy, which would apply to all residential lot sales by the Town. A separate specific policy for the first time homeowners program would be drafted to deal with those lots identified by Council for sale under that program. The draft land sales policy is based on the Cities of Red Deer and Lloydminster's current land sales policy.

I have contacted the Town's solicitor, Nick Riebeek, of Chapman Riebeek and reviewed this proposal with him. He will be providing written comments for Council's review. However, I can summarize his comments on the two main concerns (1) selling land below market value (2) restricting the sale of the first time homeowner lots.

On the first matter, Mr. Riebeek did agree that section 70 of the Municipal Government Act would apply with regards to selling lots at below fair market value to first time homeowners. Under this provision, the Town would have to advertise its intent to sell this land below market and advertise when the resolution was to be considered by Council. Council has already stated that this initiative will be made very public and that Council would like an opportunity to meet with the developers, local builders and any other interested party to discuss the Town's proposal to get in the land development business. By providing an opportunity at an open and public meeting of Council for these interested parties, Council would have an idea as to the current and future development climate for the community.

On the second point, Mr. Riebeek stated that the Town could control the resale of the first time homeowner lots via a caveat. The restrictions would be identified in the agreement for sale and identify a caveat as the means to register this interest on title. Council could then identify an amount as recoverable damages in the event the title was sold (in this case this could be the difference between the market price of the land at the original agreement of sale minus the price of the lot sold to the owner under the first time homeowner's program).

A more detailed homeowners policy will be developed that incorporates many of the procedures identified in the general residential land sales policy and the principles identified in the updated land development proposal.



Affordable Residential Development Initiative

Updated July 6, 2007

Business Arrangement between Canadian University College and the Town of Lacombe

Foreword

This document reflects the Town of Lacombe's interest in pursuing a residential development initiative.

Overview

Like many communities in Alberta, the Town of Lacombe has been experiencing rapid growth. Growth rates that have traditionally been stable at around 3% per year have escalated to an excess of 10% per year. The resulting effects of growth have placed an enormous amount of pressure on communities to keep up with basic services. The effect on local housing markets has led to significant increases in what is considered affordable and liveable housing. As a result, many prospective residents of the Town of Lacombe have found it nearly impossible to acquire a family home. First time homebuyers and other buyers entering the market in Lacombe have been greatly limited by the range of choice available to them in our community.

As market conditions have continued to grow, through 2005 to 2007, market prices have steadily increased as the supply has failed to keep pace with even greater market demand. Meanwhile, an emerging trend to create larger home sizes continues to add pressure to the market as builders and developers seem less inclined to assemble communities that have a diverse range of housing options. While there are examples of new construction that does include a range of housing sizes and densities, the Town of Lacombe would prefer to see a greater optimization of land use. Greater optimization of land use would ensure a better overall housing inventory as well as contributing to reducing the per-unit costs directly associated with municipal infrastructure.

On the building side, current market conditions make it very difficult for homeowners to purchase their lot directly from the developer. The addition of another layer of profit (the builder adding a mark-up to the price of the lot purchased from the developer) adds further

to the final lot price to the homeowner. In addition, prospective have limited choice in who they contract to build their home and therefore limited choice in design.

Why Act as the Developer?

In the role of developer, the Town of Lacombe would be able to resolve issues associated with the present housing market by achieving economies of scale (in other words, larger developments have lower per unit costs). Gains achieved through economies of scale combined with a cost recovery approach to lot sales would ensure that lot prices in the Town's development would stabilize housing costs in the community. Also, by selling directly to the homeowner, the Town would limit the additional mark-up that is attached to the purchase of a home in today's market.

The Town of Lacombe would provide incentives to first time homebuyers, thereby addressing a market imbalance that exists for many seeking to make their first home purchase. The Town would build cost advantages into the development process, directly benefiting homebuyers.

The Town of Lacombe's involvement in such an enterprise would benefit the community by providing the economic conditions for younger families to locate in Lacombe, thus diversifying the town's demographic base.

How do we get there?

Staged Lot Draws

The Town of Lacombe would stage lot draws as follows:

1. First Time Homeowners
2. General Public (Including Builders)
3. RFP for Specialized Residential
4. Grant Assisted Housing

The Town of Lacombe would hold a series of Lot Draws, giving priority to first time homeowners. First Time Homeowners would receive their lots at a price that would be very close to the actual cost of the development of the lot. The size and scope of the Lot Draws will be determined after careful evaluation of the financial picture. The Town will be motivated to develop the largest possible development in order to maximize the benefits achieved through economies of scale. (see Schedule "A")

Lot draws would be structured to give pre-financed first time homebuyers priority. Builders that have submitted approved RFP's would be sold lots at a price that would be very close to the actual cost of the development of the lot. The Town would retain lot title until the building permit is issued. Under this scenario, lot sales would target within 5-10% of the rates set to the general public.

Builders motivated to provide affordable – higher density housing would also gain similar benefits through a Request For Proposal process (RFP). Those Builders that demonstrate innovative solutions to multi-family housing would be given building incentives. Some factors for consideration would have the characteristics of *flexible design* and *sustainable housing*.

Lot Draws for General Public Including Builders

Thirty days following the initial lot draw, another lot draw would take place, this time including the General Public and Builders. Sale of the lots would be carried out in accordance with a Residential Lot Sale Policy. (See attached draft – Residential Lot Sale Policy).

~~The General Public including builders would gain a benefit from settling into their new home, and would receive \$10,000.00 appreciation bonus – to be issued two years after the completion date of their home.~~

~~This appreciation bonus would create the incentive for homeowners to reinvest in their properties. Examples would include using the funds to pay down the principle on their mortgage, or to reinvest in their home’s value by completing landscaping, basement development, or other worthwhile home projects.~~

~~The appreciation bonus would further reinforce the benefit of staying in place and making a commitment to Lacombe as a long term resident.~~

RFP for Specialized Residential Developments

Thirty days following the second lot draw, the next phase of lot sales would take place, this time including proposals submitted from builders proposing the construction of Specialized Residential Developments.

Examples of Specialized Residential Developments

The Town of Lacombe recognizes that there are opportunities to build the following niche housing options identified as follows:

1. Gated Seniors Communities
2. Entry Level Family Condominiums / Row houses
3. Small footprint houses without garages
4. Mid-level houses (under \$350,000)
5. Apartment Style Condominiums
6. Additional Residential Development concepts – determined by the Town of Lacombe.

Present market conditions show the greatest need for housing below the \$400,000 price range. Those areas identified above would provide options that may actually be attainable at prices well below \$300,000.

Economic Considerations – Beyond Today’s Market

The Town of Lacombe recognizes that while it is very important for us to take action to address the issues associated with present housing market conditions, it also recognizes that ultimately, the municipality has a duty to its taxpayers to ensure that municipal operations have the highest priority. Abrupt changes in market conditions may affect the scope and timing of the execution of activities associated with the development of an affordable housing initiative.

In circumstances where a negative impact and burden would be placed on the Town of Lacombe due to its involvement in the development of affordable housing, adjustments to the approach and timeline will be necessary. Necessary policies and agreements will be drafted to protect the interests of both parties.

A Place in the Market for an Innovative Partnership

The Town of Lacombe recognizes the importance of the relationship and history of Canadian University College. The Town sees additional future opportunities for CUC through the implementation of the Affordable Residential Housing Initiative. We hope to achieve something greater through our collaborative efforts on this project. CUC’s input into the process is encouraged and invited.

Sales Qualification Criteria

First Time Homeowner’s Program

A) In order for first time homeowners to qualify for consideration in the First Time Homeowner’s program individuals will need to meet the following criteria:

1. No previous land ownership experience. (verifiable by land titles search) and confirmed by statutory declaration.
2. Applicants will provide pre-approved financing for the purchase of the land parcel including adequate funding to complete the construction of a home suitable for the land parcel.
3. Lots will be offered to first time home by way of a land sales draw as outlined in the *Town of Lacombe’s Residential Land Sales Policy*.
4. Applicants will be subject to the terms and conditions outlined in the *Town of Lacombe’s Residential Land Sales Policy*.
5. Applicants will purchase the property with a caveat on the title, which will restrict the applicant from reselling the property. The caveat will be removed once the building commitment has been met and period of two years from date of completion has lapsed.
6. Lot prices will be determined based on present cost structure with a contingency built into the transaction for price increases directly associated with costs of providing services to the land parcel.

General Public Including Builders

B) In order to qualify for consideration in a General Public Land Sale, individuals will need to meet the following criteria:

1. Applicants will provide pre-approved financing for the purchase of the land parcel including adequate funding to complete the construction of a home suitable for the land parcel.
2. Lots will be offered by way of a land sales draw as outlined in the *Town of Lacombe's Residential Land Sales Policy*. Subsequent Lots in each phase will be offered on a first come first served basis.
3. Applicants will be subject to the terms and conditions outlined in the *Town of Lacombe's Residential Land Sales Policy*.
4. Applicants will purchase the property with a caveat on the title, which will restrict the applicant from reselling the property. The caveat will be removed once the building commitment has been met.
5. Lot prices will be determined by Council and based on current fair market value.
6. Profits from the sale of these lots (lot price less development costs, servicing costs, land costs and \$7,000 Town administration fee) will be split between the Town and CUC on a 50/50 basis.

Specialized Residential Developments As Proposed through a Request for Proposal Process

C) In order to qualify for consideration in the Specialized Residential Development purchase of Land, parties will need to meet the following criteria:

1. Applicants will submit a proposal to the Town of Lacombe, which includes concept drawings and building configurations, which will be applied, to Specialized Residential Development Areas designated within the Town's residential subdivision. The greatest consideration will be given to proposals that demonstrate a commitment to provide housing with varied forms and configurations where there are perceived gaps in the local housing marketplace. Proposals that demonstrate "best use" of land in favour of increased density and reduced building costs will be given higher priority.
2. Applicants will provide pre-approved financing for the purchase of the land parcel including adequate funding to complete the construction of a home suitable for the land parcel.
3. Applicants will demonstrate past experience in building similar multi-residential developments.
4. Applicants will be subject to the terms and conditions outlined in the *Town of Lacombe's Residential Land Sales Policy*.
5. Applicants will purchase the property with a caveat on the title, which will restrict the applicant from reselling the property. The caveat will be removed once the building commitment has been met.
6. Lot prices will be determined by Council and based on current fair market value.

7. Profits from the sale of these lots (lot price less development costs, servicing costs, land costs and \$7,000 Town administration fee) will be split between the Town and CUC on a 50/50 basis.
8. Where Council directs, the Town may provide an incentive to construct “high” priority housing. The incentive would be applied against the market value of the land in question.

Grant Assisted Housing

D) The Town may endeavour to construct housing that meets the current Provincial guidelines for affordable housing.

1. The Town will use land identified for multi residential development.
2. The cost of the developed land will be donated by both the CUC and the Town. The CUC will donate the undeveloped market value of the land and the Town will donate the servicing costs. The cost of these lots will be recouped thru the pricing of lots to the general public and builders.
3. Development of this housing will be subject to grant funding under the Province’s latest affordable housing programs.
4. The Town will retain title to the complete housing units.
5. The Town will issue thru tender, or request for proposals, contracts for the design and construction of the housing units.
6. The Town will contract a non-profit management body to manage the day-to-day operations of the housing units.

Schedule "A" Financial Analysis

Worksheets

Lot Development Scenarios

Highlights a variation in the cost per lot ranging from a minimal mark-up cost of \$54,000 per lot to over \$100,000 per lot with a 40% mark-up per lot.

Determining factors for the variation in prices are linked directly to the number of lots developed per phase, in addition to the percentage of mark-up on the fully developed lots.

Town Costs

Essentially, a breakdown of the expected costs that the Town of Lacombe would incur based on differences between the phases of each development. Phases in this table range from between 39 and 152 lots. Larger phases benefit from the economies of scale gained through servicing a larger land area.

Development and Servicing Costs

A detailed review of the costs associated with all infrastructure development for a residential subdivision.

Items excluded are:

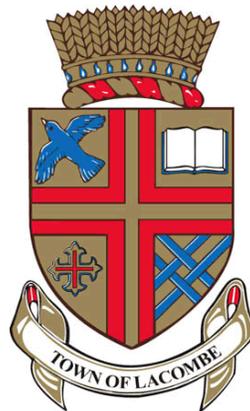
land, development controls, property taxes, misc. development costs, municipal levies and costs, financial costs, amenity costs or sales and promotion

Canadian University College Land Costs

Based on earlier discussions with the Canadian University College there are several development scenarios correlated to the purchase of land. Again, the quantity of land purchased and timing of the purchase factor into the final price per acre.

Town of Lacombe

Residential Land Sales Policy and Procedure



STATEMENT

The Town, as a public land developer, shall clearly set out the methods and process employed by the Town for marketing and selling the Town's Residential Lots to prospective Purchasers.

The Town sells land in order to facilitate the development of residential housing within the Town.

PRINCIPLES

1. Residential Lots may be marketed to potential Purchasers by Land Sale Draw, Request for Proposal, Tender, and as otherwise determined by Council.
2. Following the completion of subdivision and utility servicing, Residential Lots shall be sold to Purchasers in a fair and timely manner.
3. Based on the Land Use provisions for the area, Council may assign lots for multi-residential development.
4. Council may also assign lots for sale under the Town's "First Time Homeowner Program".
5. A Purchaser shall develop a Residential Lot within a specified period of time.
6. The process and general terms for purchasing a Residential Lot shall be set out in the Procedures.
7. A 10% non-refundable deposit on any residential lot purchase.
8. Timing of full payment is 60 days with no interest.

1. DEFINITIONS

- 1.1. 24 Hour Hold - means attendance by a prospective Purchaser at the office of the Economic Development Officer during the Town's normal business hours and signing a document requesting that a Residential Lot be placed on hold (and not sold to other prospective Purchasers) for a time period of not more than 24 hours from the execution of the document in accordance with section 3.02. Upon expiry of the 24-hour period, the Town may sell the Residential Lot to any other prospective Purchaser.
- 1.2. Balance of Purchase Price - means the balance of the Purchase Price for a Residential Lot (less the amount of the Deposit), plus GST, if applicable.
- 1.3. Commence Construction - means that all basement walls and the entire sub floor must be completed and that all outside basement excavation backfilled and in place for a residential building constructed on a Residential Lot in accordance with the plans submitted to the Town's Planning & Development department.
- 1.4. Complete Construction - means that construction of a residential building on a Residential Lot is complete and the building is ready for occupancy, as determined by the Town's Building Inspector.
- 1.5. Contractor - means a person who has been issued a business license to operate as a "General Contractor" within the Town.

- 1.6. Council - means the municipal council for the Town.
- 1.7. Deposit - means a non-refundable deposit in the amount of ten percent (10%) of the established Purchase Price (excluding GST) for a Residential Lot.
- 1.8. Development Officer - means a Development Officer of the Town or their designate.
- 1.9. Encumbrance - means any encumbrance required to be registered by the Town to protect municipally owned utility services, restrict the development of a Residential Lot or notify prospective Purchasers and landowners in the vicinity regarding unique features of a Residential Lot. Encumbrances include but are not limited to easements, utility rights-of-way and restrictive covenants.
- 1.10. Economic Development Officer - means the Economic Development Officer of the Town.
- 1.11. First-Come First-Served Basis - means that prospective Purchasers will be dealt with in the order they arrive to purchase a Residential Lot at the Economic Development Department during the Town's normal business hours.
- 1.12. GST - means any Goods and Services Tax payable pursuant to the Excise Tax Act (Canada) that may be payable on the Purchase Price for a Residential Lot.
- 1.13. Land Sales Agreement - means an agreement for the purchase and sale of a Residential Lot as prepared by the Town in a form that has been previously approved by the Town Solicitor.
- 1.14. Land Sales Draw - means an advertisement, sale and process of disposing of Residential Lots by draw prior to any remaining Residential Lots being placed on the open market as set out in Schedule "A".
- 1.15. Lot Returns - means a Purchaser failing to pay the Balance of the Purchase Price for a Residential Lot within 60 days of the date of the Land Sales Agreement, resulting in the termination of the Land Sale Agreement and forfeiture of the Deposit to the Town.
- 1.16. Chief Administrative Officer (CAO) - means the person appointed by Council under Bylaw 58 of the Town.
- 1.17. Mortgage Instructions - means the Purchaser has paid for a Residential Lot in full and wishes to make financing arrangements for the development of the Residential Lot with a financial institution, and requests that title to the Residential Lot be transferred to the Purchaser to allow a mortgage to be registered.
- 1.18. Plan booklet - means the booklet retained by the Town (for viewing and inspection by any party interested in purchasing a Residential Lot) depicting available information pertaining to Town lots in specific Town subdivisions.
- 1.19. Planning & Development Department means the department responsible for the administration of the Town's Land Use Bylaw, development permits, building permits and the Safety Codes Act and regulations.
- 1.20. Purchase Price - means the purchase price for a Residential Lot that has been approved by Council.
- 1.21. Purchaser - means the corporation or individual who executes a Land Sales Agreement for a Residential Lot.

- 1.22. RFP (Request for Proposal) - means an advertised request for prospective Purchasers to submit written proposals for the purchase and development of a Residential Lot.
- 1.23. Residential Lot - means any and all Residential Lots developed or sold by the Town.
- 1.24. Third Party Transfer - means a written request from the Purchaser to transfer title into the name of a person who is not a party to the Land Sales Agreement.
- 1.25. Town - means the Municipal Corporation of the Town of Lacombe or the area contained within the Municipal boundaries of the Town of Lacombe as the context requires.
- 1.26. Transfer of Title - means the preparation of a Transfer of Land for the purposes of transferring title and ownership of a Residential Lot from the Town to the Purchaser.

2. RESPONSIBILITIES

2.01 Council

- (a) To approve this Policy and any amendments.
- (b) To Purchase Prices and marketing strategies for residential subdivisions.

2.02 Chief Administrative Officer (CAO)

- (a) To grant, if deemed necessary, further extensions to the deadline to Commence Construction for a Residential Lot subject to the payment of extension fees by the Purchaser as set out in section 3.06 of the Procedures.
- (b) To complete the purchase and sale of a Residential Lot in accordance with the terms and conditions of the Procedures and Land Sales Agreement.
- (c) To determine whether a returned Residential Lot should be sold either by Land Sale Draw or on a First Come First Served basis, depending on the demand for Residential Lots.

2.03 Purchaser

- (a) To review and investigate all Encumbrances, elevations, utility locations, zoning (existing or proposed adjacent development), and be familiar with the conditions shown on the "Plan booklet".
- (b) To grant any Encumbrances required by the Town.
- (c) To consult with appropriate government departments or agencies in order to determine the feasibility of the Purchaser's proposed development.
- (d) To review and investigate the land use classifications and existing and proposed developments in the vicinity of the Residential Lot.
- (e) To complete the purchase and sale of a Residential Lot in accordance with the Land Sales Agreement.

3. PROCEDURES

3.01 Time and Method of Town Offering Residential Lots for Sale

- (a) When a subdivision plan is ready to be registered, utility services have been completed to a stage allowing development and Council has approved the Purchase Prices, Residential Lots may be advertised and sold by:
 - (i) Land Sales Draw
 - (ii) RFP,
 - (iii) tender, or
 - (iv) as otherwise determined by Council.
- (b) Council may, at its discretion, make special sales of Residential Lots for unsolicited specific development proposals received by the Town.

3.02 24 Hour Holds On Residential Lots

- (a) If a Residential Lot remains unsold after a Land Sales Draw, a prospective Purchaser may, by attending at the office of the Economic Development Officer and signing the applicable document, place a Residential Lot on hold for 24 hours. This only means that the Town will not sell that Residential Lot to another prospective Purchaser during the 24-hour period.
- (b) Within 24 hours of placing a Residential Lot on 24 Hour Hold, the Purchaser must execute a Land Sales Agreement and pay the Deposit to the Town, failing which the Town will be entitled to market and sell the Residential Lot to any other prospective Purchaser.

3.03 Execution of a Land Sales Agreement and Payment of a Deposit

- (a) An eligible prospective Purchaser that desires to purchase a Residential Lot shall execute a Land Sales Agreement and pay the Deposit.
- (b) Subject to subsection 3.03(c), the Residential Lot must be paid in full within 60 days of the date of the Land Sales Agreement. Upon the Purchaser failing to pay the Balance of the Purchase Price as required, the Land Sales Agreement is terminated and the Deposit is forfeited to the Town. The CAO will then determine whether the Residential lot is sold by Land Sale Draw or on a First-Come First-Served Basis.
- (c) In extraordinary circumstances (e.g. death in a family) the CAO may, at his or her discretion, extend the deadline for payment in full of the Purchase Price for the Residential Lot for a period of time to be determined by the CAO, subject to the Purchaser paying interest on the Balance of the Purchase Price at a rate of 10% per annum, calculated from the date of the expiry of the 60 day period until the date that payment for the Residential Lot is received in full.
- (d) For Residential Lots that are sold at a Land Sale Draw, the Deposit will become non-refundable once utility servicing is complete, the plan of subdivision is registered and the Purchaser has been notified by the Town.

3.04 GST

- (a) The Purchaser is responsible for paying any GST in relation to the purchase of a Residential Lot.
- (b) If payable, GST must be paid by the Purchaser at the time the Balance of the Purchase Price is paid to the Town.
- (c) Should the Purchaser provide a GST registration number the Town will not collect any GST at that time and the Purchaser shall be responsible for remitting any GST payable directly to the Canada Customs and Excise Agency (CCRA).

3.05 Commence Construction

- (a) A Purchaser must Commence Construction on a Residential Lot not later than eight (8) months from the date of the Land Sales Agreement.
- (b) In the event that title has not transferred to the Purchaser and the deadline to Commence Construction (and any extension granted) expires, the CAO may, at his or her discretion, terminate the Land Sales Agreement and upon payment of the Balance of the Purchase Price (less any extension fees payable), the Purchaser shall have no further interest in the Residential Lot. The Deposit shall be forfeited to the Town.

3.06 Extensions to Commence Construction

The CAO may grant extensions for the deadline to Commence Construction for a Residential Lot on a month-to-month basis for up to an additional six months.

3.07 Complete Construction

The Purchaser must Complete Construction on a Residential Lot not later than eighteen (18) months from the date of the Land Sales Agreement, failing which the Purchaser shall pay the extension fees set out in section 3.08.

3.08 Extensions to Completed Construction

The Purchaser shall pay the following extension fees for the extension of the deadline to Complete Construction:

- (a) One percent (1%) of the Purchase Price for each month up to and including the third (3rd) month.
- (b) Two percent (2%) of the Purchase Price for the fourth (4th) month and any extensions beyond the fourth (4th) month.

3.09 Lot Returns

- (a) A Residential Lot may be returned by a Purchaser within sixty (60) days of the date of the Land Sales Agreement, upon which the Land Sales Agreement is terminated, the Deposit is forfeited to the Town and the Purchaser shall have no further interest in the Residential Lot.
- (b) The CAO shall determine, at his or her discretion, whether a Residential Lot that has been returned should be sold either by Land Sale Draw or on a First-Come First-Served Basis.

3.10 Transfer of Title

- (a) The Town shall not be required to transfer title of a Residential Lot to a Purchaser unless and until:
 - i. the Purchase Price has been paid in full,
 - ii. the Purchaser has completed the Commence Construction requirement to the satisfaction of the CAO,
 - iii. is in receipt of Mortgage Instructions from the Purchaser's solicitor for the purpose of securing financing for the development of the Residential Lot, and
 - iv. a proper written request is received from the Purchaser at the Economic Development Office.
- (b) Transfer by the Town to any party other than the Purchaser shall only be from a Contractor to the individual to whom the Contractor intends to sell the Residential Lot, provided that the Contractor has provided such written authorization.
- (c) The Purchaser shall immediately register the Transfer of Land delivered by the Town.
- (d) The Town reserves the right to register Encumbrances as required prior to closing. Title to all Residential Lots sold by the Town shall be subject to all Encumbrances registered against the Certificate of Title. It is the Purchaser's responsibility to investigate the Certificate of Title.

3.10 General

- (a) During development of a Residential Lot, the Purchaser and/or its Contractor shall not place or deposit any excavated dirt upon Town property (including but not limited to any Town easement or utility right-of-way), and if such excavated dirt is so deposited, the Town shall have the right to have the dirt removed at the expense of the Purchaser.
- (b) The Purchaser shall ensure that all debris, building materials, cement, garbage and refuse are retained on the Residential Lot during construction and properly disposed of by the Purchaser or its Contractor.
- (c) The Purchaser shall not permit any of the foregoing materials to be deposited (intentionally or unintentionally) upon Town property, including but not limited to any park reserve and open space areas.
- (d) The Purchaser shall not permit lightweight materials to be blown away by wind from the Residential Lot. Any debris, building materials, cement, garbage or refuse that is disposed on or blows onto Town property may be removed by the Town at the expense of the Purchaser. Additional fines may be levied against the Purchaser in accordance with any applicable statute, bylaw or regulation.

Schedule "A"
Land Sale Draw Procedures

1. A purchaser intending to qualify for the purchase of a residential lot as an individual or a contractor shall file with the Town a lot draw application.
2. Purchasers filing a lot draw application as an individual or contractor shall complete a statutory declaration form.
3. An Individual is eligible to purchase only one (1) residential lot within any twelve (12) month period.
4. Bona fide contractors are eligible to purchase only two (2) residential lots per subdivision at any one time.
5. An individual or contractor may, as an individual's delegate, represent an individual at the land sales draw, provided the individual being represented has provided documentation authorizing power of attorney to the delegate at a land sales draw.
6. No person shall represent either a contractor or a contractor as an individual at the same land sales draw.
7. Any individual or contractor entering a land sales draw shall complete a statutory declaration.
8. Private individuals and contractors will enter their name only once and at the same time for the primary draw.
9. Contractors selecting their first residential lot will have to wait until the primary draw is completed before they can re-enter their names for the secondary draw.
10. Any individual or contractor who does not adhere fully to the rules of the land sales draw regulations will not be permitted to enter or remain in the draw, and any residential lot they have selected or placed a deposit on will be returned to the land sales draw or open market.
11. The second draw for contractors will begin only after all individuals and contractors have selected one residential lot and no more names remain to be drawn in the primary lot draw.
12. Contractors will re-enter their names for the second draw.
13. Individuals or contractors selecting a residential lot must make the deposit at the time of selecting the residential lot. Failure to make the deposit forthwith will result in the lot being returned to the market.

Town of Lacombe Residential Lot Development Scenarios

		39 Lots			71 Lots			150 Lots		
CUC Land Costs										
1	Raw Land Price per Lot									
	Land Price per Acre	\$ 50,000	\$ 55,000	\$ 60,000	\$ 50,000	\$ 55,000	\$ 60,000	\$ 50,000	\$ 55,000	\$ 60,000
	Lots Per Acre	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
	Total	11,111	12,222	13,333	11,111	12,222	13,333	11,111	12,222	13,333
Development & Servicing										
2	Underground Utilities water sanitary sewer service connections storm sewers maintenance (3%) contingency (5%)	16,897	16,897	16,897	10,648	10,648	10,648	11,945	11,945	11,945
3	Site Preparation pre-grading contingency (7%)	2,256	2,256	2,256	8,521	8,521	8,521	4,333	4,333	4,333
4	Surface Improvements curb, gutter and sidewalks lanes subgrade gravel paving maintenance contingency	16,875	16,875	16,875	13,282	13,282	13,282	11,550	11,550	11,550
5	Shallow Utilities power utility ducts contingency (5%)	5,023	5,023	5,023	5,500	5,500	5,500	1,960	1,960	1,960
	Sub Total	41,052	41,052	41,052	37,951	37,951	37,951	29,789	29,789	29,789
6	Design and Construction Engineering (10%)	4,105	4,105	4,105	3,795	3,795	3,795	2,979	2,979	2,979
7	Geotechnical (3%)	1,232	1,232	1,232	1,139	1,139	1,139	894	894	894
	Total	46,389	46,389	46,389	42,884	42,884	42,884	33,661	33,661	33,661
Town of Lacombe Costs and Fees										
8	Offsite Levies									
	Estimate #1 (per lot)	3,778	3,778	3,778	3,778	3,778	3,778	3,778	3,778	3,778
	Estimate #2 (per lot)	4,889	4,889	4,889	4,889	4,889	4,889	4,889	4,889	4,889
	Estimate #3 (per lot)	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
9	Administration Fee (per lot)	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000
Total Cost Per Lot										
	Offsite Estimate #1	\$ 68,277	\$ 69,388	\$ 70,499	\$ 64,773	\$ 65,884	\$ 66,995	\$ 55,550	\$ 56,661	\$ 57,772
	Offsite Estimate #2	69,389	70,500	71,611	65,884	66,995	68,106	56,661	57,772	58,883
	Offsite Estimate #3	70,500	71,611	72,722	66,995	68,106	69,217	57,772	58,883	59,994
Price Per Lot (Offsite Estimate #3)										
	Entry Level	70,500	71,611	72,722	66,995	68,106	69,217	57,772	58,883	59,994
	20% Markup	84,600	85,933	87,266	80,394	81,728	83,061	69,327	70,660	71,993
	40% Markup	98,699	100,255	101,810	93,793	95,349	96,904	80,881	82,437	83,992

Town of Lacombe Development & Administration Costs

		<u>Development 1</u>	<u>Development 2</u>	<u>Development 3</u>	<u>Development 4</u>	<u>Average (4)</u>	<u>Average (1 & 2)</u>
		152	71	148	39	103	150
1	Offsite Levies						
	Estimate #1 (per acre)	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000	\$ 17,000
	Estimate #2 (per acre)	22,000	22,000	22,000	22,000	22,000	22,000
	Estimate #3 (per acre)	27,000	27,000	27,000	27,000	27,000	27,000
2	Administration Fee (per lot)	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000

Average Subdivision Construction Costs

Based on a variety of lot sizes

	<u>Development 1</u>	<u>Development 2</u>	<u>Development 3</u>	<u>Development 4</u>	<u>Average (4)</u>	<u>Average (1 & 2)</u>
1						
Underground Utilities	\$1,875,000	\$756,000	\$1,708,500	\$659,000	\$1,249,625	\$1,791,750
water						
sanitary sewer						
service connections						
storm sewers						
maintenance (3%)						
contingency (5%)						
2						
Site Preparation	\$750,000	\$605,000	\$550,000	\$88,000	\$498,250	\$650,000
pre-grading						
contingency (7%)						
3						
Surface Improvements	\$1,574,000	\$943,000	\$1,891,000	\$658,124	\$1,266,531	\$1,732,500
curb, gutter and sidewalks						
lanes						
subgrade gravel						
paving						
maintenance						
contingency						
4						
Shallow Utilities	\$285,600	\$390,500	\$302,530	\$195,900	\$293,633	\$294,065
power						
utility ducts						
contingency (5%)						
Sub Total	\$4,484,600	\$2,694,500	\$4,452,030	\$1,601,024	\$3,308,039	\$4,468,315
Design and Construction Engineering (10%)	\$448,460	\$269,450	\$445,203	\$160,102	\$330,804	\$446,832
Geotechnical (3%)	\$134,538	\$80,835	\$133,561	\$48,031	\$99,241	\$134,049
Total	\$5,067,598	\$3,044,785	\$5,030,794	\$1,809,157	\$3,738,084	\$5,049,196
number of lots	152	71	148	39	\$103	\$150
total developable frontage length (feet)	5,988	3,678	5,205	n/a	\$3,718	\$5,597
cost per lot	\$33,339	\$42,884	\$33,992	\$46,389	\$39,151	\$33,666
cost per frontage foot	\$846	\$828	\$967	n/a	\$880	\$906

Note Costs do not include land, development controls, property taxes, misc development costs, municipal levies and costs, financial costs, amenity costs or sales and promotion.

CUC Land Costs

		<u>Development 1</u>	<u>Development 2</u>	<u>Development 3</u>	<u>Development 4</u>	<u>Average (4)</u>	<u>Average (1 & 2)</u>
		152	71	148	39	103	150
1	Land Cost Per Acre						
	Price 1	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
	Price 2	55,000	55,000	55,000	55,000	55,000	55,000
	Price 3	60,000	60,000	60,000	60,000	60,000	60,000
2	Lot Density Per Acre	4.5	4.5	4.5	4.5	4.5	4.5