



CITY POLICY

POLICY NUMBER: C507

REFERENCE:

Bylaw 14380
Municipal Government Act ss.648, 649, 650, 655
RSA 2000 Ch. M-26

ADOPTED BY:

SUPERSEDES:

PREPARED BY: Transportation Department

DATE: 2006 08 16

TITLE: Arterial Roads for Development

Policy Statement:

1. Developers will be required to construct or pay for the construction of:
 - a. the first four lanes of new Arterial Roads that are deemed to have four or six lanes in their ultimate design; and
 - b. the first five lanes of new Arterial Road that are deemed to have five or seven lanes in their ultimate design;within a Catchment. These requirements will be conditions of subdivision approval and development permit, and will only be collected one time for all Subject Lands.
2. Arterial Roadway Assessments will be collected from Developers at the time of subdivision or development permit for Subject Lands that fall within a Catchment. These Arterial Roadway Assessments will:
 - a. provide the mechanism for new development to share costs of constructing new Arterial Roads within Catchments;
 - b. ensure that funds are collected and reimbursed to those Developers that front-end costs of Arterial Roads; and
 - c. ensure that all Arterial Roads within a Catchment are constructed prior to the Catchment being fully developed.
3. An Arterial Roadway Assessment administration fee will be collected with every Servicing Agreement entered into that requires the administration of Arterial Roadway Assessments and Over-Expenditures. This fee will be used to fund the costs of administering and maintaining this policy.

The purpose of this policy is to:

Provide clear and consistent direction as to the principles, management and administration of Arterial Roadway Assessments.



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1. DEFINITIONS

- 1.01 Arterial Dedication: shall mean the dedication of land as Arterial Road right-of-way to accommodate a maximum of six lanes of Arterial Road and/or Transit Centre Lands, which shall include right-of-way necessary to facilitate intersection widening and turn bays to public roadways, but shall exclude right-of-way necessary to facilitate turn bays required for private accesses.
- 1.02 Arterial Dedication Rate: shall mean the dollar per area rate that shall be used to credit Developers for Arterial Dedication.
- 1.03 Arterial Road: shall mean a road that serves as a major transportation route between different areas of the City, and for the purposes of this Policy, those Arterial Roads identified in Bylaw 14380 as amended.
- 1.04 Arterial Roadway Assessment ("ARA"): shall mean an amount of money equal to the ARA Rate multiplied by the Assessable Area of the Subject Lands.
- 1.05 Arterial Roadway Assessment Rate ("ARA Rate"): shall mean a rate equal to:
- a) the total Construction Costs of Arterial Improvements left to be constructed in a Catchment;
 - b) plus any Over-Expenditures being carried by previous Developers in the Catchment;
 - c) less any funds being held in trust in a Catchment;
 - d) all divided by the total remaining Assessable Area of the Catchment that is yet to be:
 - i. assessed, in those Catchments that consist solely of Industrial Lands; or
 - ii. developed, in those Catchments that do not consist solely of Industrial Lands.



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- 1.06 Arterial Improvements: shall mean improvements within the Arterial Road right-of-way necessary for proper functioning of the Arterial Road.
- 1.07 Assessable Area: shall mean the total area of a given piece of land less:
- a) any area designated or to be designated as a park 'n ride facility, public utility lot, municipal and/or school reserve and environmental reserve;
 - b) any area dedicated or to be dedicated for Arterial Roads, or Transit Centre Lands;
 - c) any area of land used for a titled pipeline right-of-way or for an overhead power transmission line right-of-way; and
 - d) the area used or to be used for a freeway or provincial highway.
- 1.08 Catchment: shall mean an area of Edmonton that is served by particular portions of Arterial Roads as more particularly identified in Bylaw 14380 as amended.
- 1.09 City: shall mean the Municipal Corporation of the City of Edmonton.
- 1.10 City Manager: shall mean the Chief Administrative Officer of the City or his/her delegate.
- 1.11 Construction Cost: shall mean:
- a) in the case of improvements that have been constructed, the actual cost of constructing the Arterial Road;
 - b) in the case of improvements that are the subject of detailed design prepared by a Professional Engineer, the estimated cost of construction based on the detailed design;
 - c) in the case of improvements that are the subject of conceptual design, the estimated cost of construction based on conceptual design; and
 - d) in all cases shall include the value attributed to the lands dedicated as Arterial Road right-of-way or as Transit Centre Lands, which will equal to the area of



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Arterial Dedication or Transit Centre Lands, multiplied by the Arterial Dedication Rate.

- 1.12 Council: shall mean the Municipal Council of the City of Edmonton.
- 1.13 Developer: shall mean any applicant for subdivision or development permit within a Catchment, or any person, including the City of Edmonton, that has incurred Construction Costs for an Arterial Road.
- 1.14 Industrial Lands: shall mean any lands zoned or to be zoned for industrial purposes, and more specifically any lands deemed for industrial use within the Zoning Bylaw.
- 1.15 Interest: shall mean the Interest Rate times the number of years a Developer has carried an Over-Expenditure rounded down to the nearest whole number of years. A Developer is deemed to have incurred an Over-Expenditure starting on the later of the following dates:
- a) the Developer's completion of the Arterial Roadway such that it is open and operational to the satisfaction of Transportation Services, along with the submission of actual and estimated to complete Construction Costs; or
 - b) the Developer's payment of a contribution towards a previous Developer's Over-Expenditure.
- In the event that the Developer did not incur Construction Costs, the date the Over-Expenditure is incurred shall be the date the Developer pays their ARA.
- 1.16 Interest Rate: shall mean the lesser of:
- a) an annual rate equal to the prime rate charged by the Main Branch of the Toronto Dominion Bank in Edmonton plus one per cent, on January 1 of the year for which interest is to be calculated; or
 - b) an annual rate of interest equal to the percentage change in the Edmonton Non-Residential Construction Price Index, published from time to time by Statistics Canada, from the third quarter of two previous calendar years to the third quarter of the previous calendar year from the year in which interest is to be calculated. Notwithstanding anything herein, if the change in the Edmonton Non-Residential



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Price Index for any period is a negative sum then the value of the annual rate pursuant to this Bylaw shall be equal to zero.

- 1.17 Over-Expenditure: shall mean the amount by which the sum of:
- a) a Developer's Construction Costs for Arterial Roads; and
 - b) a Developer's contribution to a previous Developer's Over-Expenditure,
- exceeds the Developer's ARA owing. For greater clarity, a Developer has not incurred an Over-Expenditure until such time that the Arterial Road has been constructed and the actual Construction Costs have been approved by the City. Any Interest that may have accrued on a Developer's Over-Expenditure is also Over-Expenditure.
- 1.18 Previous Agreement: shall mean a Servicing Agreement that was previously entered into by a Developer for the payment of ARAs and/or the construction of Arterial Improvements.
- 1.19 Previous Area: shall mean the Assessable Area of a Previous Agreement.
- 1.20 Professional Engineer: shall have the same meaning as in the *Engineering, Geosciences Professions Act* RSA 2000 ch. E-11
- 1.21 Servicing Agreement: shall mean an agreement entered into between a Developer, or group of Developers, and the City for the payment of ARAs and/or the construction of Arterial Improvements.
- 1.22 Subject Lands: shall mean:
- a) a parcel or parcels that are the subject of a development permit application; or
 - b) the parcel or parcels that are to be created through a subdivision application and may include any un-subdivided remnant which, in the opinion of the subdivision authority, is unlikely to be subdivided again.
- 1.23 Transit Centre Lands: shall mean the area of land designated as a transit centre which is or is to be dedicated to the City, and for the purposes of this Policy, those transit centres identified in the Arterial Roads for Development Bylaw.



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- 1.24 Zoning Bylaw: shall mean the City of Edmonton Zoning Bylaw 12800 or any other bylaw that fulfills the requirements of a land use bylaw under the *Municipal Government Act* RSA 2000 ch. M-26, as amended.

2. PROCEDURES

2.01 Meeting Arterial Roadway Requirements Through Arterial Roadway Assessments

- 2.01.1 Arterial Roadway Assessments (ARAs) will be required as a condition of subdivision or development permit, whichever first occurs, and will be payable in accordance with the terms of a Servicing Agreement signed for the Subject Lands.
- 2.01.2 The ARA for the Subject Lands will be based upon a benefiting proportion of the estimated costs of constructing the Arterial Improvements and dedicating Arterial Road right-of-way and Transit Centre Lands that are required within the Catchment. The Catchments and associated Arterial Improvements and Transit Centres are as described in Bylaw 14380 as amended.
- 2.01.3 The ARAs for a Catchment and for Subject Lands will be based in part on the Assessable Area.
- 2.01.4 Each Catchment will have an individual ARA Rate and account used to calculate and track ARAs collected and the disbursement of Over-Expenditure rebates.
- 2.01.5 Cost shareable Arterial Improvements may include, but not be limited to:
- a) cost of lands dedicated or to be dedicated as Arterial Road right-of-way and Transit Centre Lands;
 - b) road preparation including: excavation, pavement removal, fill, sub-grade preparation, sub-grade stabilization, utility relocation;
 - c) pavement structure including, curb and gutter, pavement, pavement marking, turn bays and medians;
 - d) asphalt multi-use trails/shared-use paths and concrete sidewalks;



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- e) street lights and any associated power requirements;
- f) road drainage including grading, storm sewers and catch basins;
- g) landscaping;
- h) traffic control signs and signals;
- i) creek crossings;
- j) any temporary Arterial Improvements required to tie back to existing roadways that relate to logical staging and timing of Arterial Improvements.
- k) the costs of removing any temporary Arterial Improvements that were previously constructed for the purposes of tying back to existing roadways, unless they relate to logical staging and timing of Arterial Improvements.
- l) preliminary and detailed engineering design and administration costs (based on 15% of the estimated Construction Costs of the improvements being constructed);
- m) any costs incurred by Developers in the preparation of Arterial Road concept plans; and
- n) identified Arterial Improvements attached within Schedules of Bylaw 14380 as amended.

2.01.6 Arterial Improvements that are not cost shareable include, but are not limited to:

- a) any temporary Arterial Improvements required to tie back to existing roadways that do not relate to logical staging or timing of Arterial Improvements;
- b) the costs of removing any temporary Arterial Improvements that were previously constructed for the purposes of tying back to existing roadways that do not relate to logical staging or timing of Arterial Improvements;



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- c) improvements, such as turn-bays, needed solely for access to private sites (such as multi-family residential, commercial and industrial parcels) that require access directly from an Arterial Road and are determined to not benefit the entire Catchment; and
- d) cost of lands dedicated or to be dedicated as Arterial Road right-of-way that accommodate improvements needed solely for access to private sites (such as multi-family residential, commercial and industrial parcels) that require access directly from an Arterial Road and are determined to not benefit the entire Catchment.

unless such an improvement is identified within Schedules of Bylaw 14380 as amended.

2.01.7 The administration of ARAs is comprised of the following major components:

- a) determining Catchments and Assessable Areas;
- b) assigning Arterial Improvements required by the Catchment;
- c) estimating the Arterial Improvement Construction Costs;
- d) determining the Catchment ARA Rates;
- e) ARA and Over-Expenditure calculations;
- f) recovering Over-Expenditures;
- g) management of Catchment fund balances; and
- h) adjustments to Over-Expenditures to account for actual Construction Costs

2.02 Determining Catchment Boundaries and Developable Areas

2.02.1 A Catchment is generally defined as an Area Structure Plan, however may be any statutory plan, or consist of several statutory plans. Exact Catchment boundaries are identified in Bylaw 14380 as amended.



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2.02.2 At the time of establishing a new Catchment, whether at the statutory plan phase of development planning or later on, Developers will define both the gross area and Assessable Area of the Catchment. Developers will also be responsible to determine the remaining Assessable Area of a Catchment as part of the annual recalculation of ARA Rates.

2.03 Assigning Arterial Roadways to Catchments

2.03.1 The ARA Rate for a Catchment will be based in part upon the Construction Costs of constructing all Arterial Improvements required for the Catchment.

2.03.2 The full costs of Arterial Improvements that fall entirely within a Catchment will be the responsibility of the same Catchment.

2.03.3 The costs of Arterial Improvements that do not fall entirely within a specific Catchment will be assigned to one or more Catchments by principles set in Appendix "A" attached hereto.

2.04 Estimating Arterial Road Costs

2.04.1 Developers shall have Construction Costs for Arterial Improvements within a Catchment prepared, reviewed and stamped by a Professional Engineer. The City will review the Construction Cost estimates and approve them if they are determined to be reasonable.

2.04.2 Construction Cost estimates will be based wherever possible upon up to date unit rates that are agreed to by both the City and the Urban Development Institute.

2.04.3 Developers will have the estimated Construction Costs for any unique facet of Arterial Road construction prepared, reviewed and stamped by a Professional Engineer. The City will review these Construction Cost estimates and approve them if they are determined to be reasonable.

2.04.4 The Arterial Dedication Rate shall be determined by the Urban Development Institute and approved by the City if determined to be reasonable.

2.04.5 To help ensure ARA Rates are based upon current values, a Catchment's Construction Costs will be re-evaluated annually, or more often as deemed



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necessary by the City. Annual adjustments to the ARA Rates will be based in part on the following:

- a) where unit rates and other cost factors have been used as the basis for all or part of the estimated cost, the most current annual unit rates and cost factors at the time of assessment will be applied; and
- b) where a Developer has estimated the Construction Costs of a unique facet of the Arterial Road construction, the Developer will be required to provide a new estimated Construction Cost based on current unit rates. The estimate shall be reviewed, approved and stamped by a Professional Engineer. The City shall review the estimate and approve it if determined to be reasonable.

2.04.6 All Developers shall submit Construction Costs in a consistent format as directed by the City.

2.05 Calculating ARA Rates

2.05.1 ARA Rates will be re-calculated at the beginning of each calendar year, however may be re-calculated more frequently in the event of significant changes to the Catchment, such as boundary adjustments or the removal/addition of significant Arterial Improvements. When an ARA Rate recalculation occurs, the updated rate will be used on a go-forward basis when calculating ARAs to be collected through Servicing Agreements.

2.05.2 A Catchment's ARA Rate will be calculated using the following formula:

$$ARA_Rate = \frac{RCC + OE - TF + RAD}{RAA}$$

where:

- RCC = the remaining Construction Costs for the Catchment;
- OE = the current amount of Over-Expenditure being carried in the basin;
- TF = the funds amount of funds being held in trust for the Catchment;



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- RAD = the value of lands remaining to be dedicated as Arterial Road right-of-way and Transit Centre Lands; and
- RAA = the remaining lands to be assessed in the Catchment.

2.06 Calculating ARAs Owing and Over-Expenditures Incurred

2.06.1 When a Developer enters into a Servicing Agreement:

- a) in order to pay ARAs owing on Subject Lands; and/or
- b) for the construction of Arterial Improvements;

the City shall collect from that Developer an Arterial Roadway Assessment, if applicable, and calculate an Over-Expenditure incurred by the Developer to be recovered from subsequent Developers.

2.06.2 When calculating the ARA owing by a Developer, the following calculations shall be made:

- a) Calculation 1 ARA = Assessable Area x ARA Rate
- b) Calculation 2 Determination of the Developer's Construction Costs for the Arterial Improvements being constructed, which shall be approved by the City.
- c) Calculation 3 For each previous Servicing Agreement carrying an Over-Expenditure, the following calculation shall be made:

$$\left(\frac{\text{Contribution_to_previous}}{\text{agreements's_OE}} \right) = \frac{AA}{PA + AA} \times \left(\frac{\text{The_remaining_unpaid_OE}}{\text{of_the_previous_agreement}} \right)$$

where:

- AA = Assessable Area;
- PA= Previous Area;



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- OE = Over-Expenditure

When the remaining unpaid OE of a Previous Agreement is less than or equal to \$25,000.00, the value of the calculation for that specific Previous Agreement shall be equal to the remaining OE being carried by that Previous Agreement

2.06.3 The ARA to be collected shall be determined in accordance with the following principles:

- a) Assessment I If the Developer has no Construction Costs (when the results of Calculation 2 is zero) the Developer shall pay to the City the greater of:
 - i. the results of Calculation 1 (the ARA amount); or
 - ii. the sum of calculations made for all Previous Agreements pursuant to Calculation 3.
- b) Assessment II If the Developer has incurred construction costs (when the result of Calculation 2 is greater than zero), the Developer shall pay to the City the amount (if any) by which the results of Assessment I exceeds Calculation 2 (the Construction Costs). If the amount of Calculation 2 exceeds Assessment I, then no ARA shall be collected.

2.06.4 The Over-Expenditure incurred by a Developer pursuant to their Servicing Agreement will be repaid by future Developers within the same Catchment, and collected as conditions of Servicing Agreements for those future developments or subdivisions.

2.06.5 The Over-Expenditure incurred by a Developer through a Servicing Agreement will be equal to the actual ARA collected through the Servicing Agreement plus any Construction Costs incurred by the Developer, less the results of Calculation 1. If the Over-Expenditure amount calculated is negative (less than zero), the Over-Expenditure shall be deemed to be zero.



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2.07 Recovery of Over-Expenditures

2.07.1 Where the City collects monies pursuant to this Policy, the monies shall be distributed to the Developers of all Previous Agreements within the Catchment that are then carrying Over-Expenditures.

2.07.2 Monies collected shall be distributed in the following manner:

- a) Rebate I If the monies to be distributed were collected from a Developer who incurred no Construction Costs (i.e. the monies were paid in accordance with Assessment I) the monies shall be distributed to Developers of the Previous Agreements:
 - i. based *pro rata* on the amount of Over-Expenditures being carried by the Previous Agreements, if the Developer paid ARAs determined by Assessment I(i); or
 - ii. in accordance with the calculations pursuant to Calculation 3, if the Developer paid ARAs determined by Assessment I(ii).
- b) Rebate II If monies to be distributed were collected from a Developer who incurred Construction Costs [reference Assessment II(i)], then the monies paid will be distributed *pro rata* based on Over-Expenditures being carried by Previous Agreements.

2.07.3 Where a Previous Developer is obligated to construct Arterial Improvements pursuant to a Servicing Agreement, however the required construction has yet to be completed, an Over-Expenditure will be deemed to have been incurred for that construction solely for the purpose of calculating ARAs owing by subsequent Developers. The rebates collected from those subsequent Developers will be held in trust by the City and only forwarded to those previous Developers who have yet to complete their construction obligations upon:

- a) the Arterial Road being constructed, operational and open to traffic to the satisfaction of Transportation Services; and
- b) submission of Construction Costs reflecting actual costs of the Arterial Improvements(certifying the unit rates and quantities used to determine



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payment), along with an estimated Construction Cost to complete, both of which are to be reviewed, approved and stamped by a Professional Engineer and submitted in a format acceptable to the City.

2.08 Management of Catchment Fund Balances

- 2.08.1 To compensate Developers for change in the value of money over time, the balance on outstanding Over-Expenditures will be escalated annually, prior to annual re-calculation of ARA Rates. The escalation rate used will be equal to the Interest Rate.
- 2.08.2 Interest will be calculated and added to any Over-Expenditure balances that are carried into a new calendar year. The Interest shall only be calculated one time per year, and shall be done prior to calculating a new ARA Rate for the first time in that new calendar year.
- 2.08.3 Interest shall be applied to all Over-Expenditure balances being carried, with the exception of those Over-Expenditures that were initially created due to a Developer undertaking the construction of Arterial Improvements. In such an event, Interest shall only be applied to the Over-Expenditure starting the first full calendar year after the Arterial Improvements are constructed and the Arterial Roadway is operational and open to traffic to the satisfaction of Transportation Services.
- 2.08.4 Interest shall also be applied to any funds that are being held in trust that are carried over into a new calendar year. The interest applied on these trust funds shall be determined by Corporate Services, and shall be based on the actual interest that accrued on those trust funds.

2.09 Over-Expenditure Adjustments for Actual Construction Costs

- 2.09.1 Pursuant to section 2.07.3(a) above, Developers are required to submit actual Construction Costs, along with an estimated Construction Cost to complete for any outstanding construction.
- 2.09.2 The City shall adjust the applicable Over-Expenditure to reflect the actual and estimated remaining Construction Costs, prior to forwarding rebates back to Previous Developers.



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2.09.3 Developers shall submit actual and/or estimated remaining Construction Costs for those Arterial Improvements constructed and/or yet to be completed on a yearly basis prior to the City recalculating ARA Rates for the first time during that calendar year. Developers may submit actual and estimated remaining Construction Costs more frequently if they deem it appropriate, however shall submit them more frequently if required to do so by the City.

2.09.4 In the event that a Developer's actual Construction Costs are less than their previously submitted Construction Costs for the Arterial Improvements resulting in a negative value for the Over-Expenditure, the Developer will be required to pay the full amount of the deficiency prior to the issuance of a Final Acceptance Certificate for the Arterial Improvements.

2.10 Arterial Development Agreements

2.10.1 When a Developer enters into a Servicing Agreement for construction of Arterial Improvements, however the Assessable Area for the Servicing Agreement is equal to zero, an Assessable Area will be assigned to the Servicing Agreement equal to one hectare (rounded to the nearest one tenth of a hectare) for each one million dollars in estimated Construction Costs (for example: Construction Costs of \$2,665,000.00 will be assigned an Assessable Area of 2.7 hectares).

2.11 Creek Crossings and Other Grade Separated Railway Crossings

2.11.1 Where a creek crossing or other grade separated crossing is identified as an Arterial Improvement in Bylaw 14380, as amended, Transportation Services may construct the crossing, and recover those Construction Costs pursuant to this Policy.

2.11.2 Budget constraints causing delays in Transportation Services constructing a crossing will not be a reason for the City to hold up a Developer initiated subdivision or development from advancing, unless the crossing provides the only access to the Subject Lands.

2.12 Four Lane vs. Two Lane Construction

2.12.1 When it is determined that only two or three lanes of a four or five lane Arterial Road can be constructed due to insufficient Arterial Road right-of-way, the City may allow the Developer to only construct the first two or three lanes. The City



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may then require that a subsequent Developer build the remaining lanes as a condition of a future subdivision or development permit.

2.13 Arterial Roads on Catchment Boundaries

2.13.1 When a Developer constructs an Arterial Road that bisects multiple existing Catchments, that Developer will incur an Over-Expenditure in each of the two Catchments. The Construction Costs, less any component of the cost associated with Arterial Dedication, shall be allocated equally to each Catchment.

2.13.2 In the event that a Developer (excluding when Transportation Services acts as a Developer) incurs Over-Expenditures in multiple Catchments pursuant to section 2.13.1, and that Developer does not own land in one or more of those Catchments, the Over-Expenditure incurred in those Catchment will be paid in full by the first subsequent Developer who enters into a Servicing Agreement which administers ARAs and/or Over-Expenditure in the applicable Catchment. The funds collected from that subsequent Developer will be in addition to any ARAs owing pursuant to section 2.06.3 hereto.

2.14 Transportation Services' Discretion

2.14.1 Transportation Services has in its sole discretion:

- a) the ability to defer ARAs owing on a subdivision or development permit application, if Transportation Services determines that the proposed subdivision or development permit has no substantive impact on the City's transportation system, and more specifically no substantive impact on the Arterial Roads within the applicable Catchment. The ARA owing would therefore be payable at the time of further subdivision or issuance of a future development permit for the Subject Lands, whichever first occurs;
- b) the ability to assess a subdivision or development for municipal services use (examples include, but are not limited: to fire halls, police stations, libraries, waste management facilities, recreation centres, municipal fleet garages, maintenance yards and complexes) an assessment equal to Calculation 1, regardless of what Calculation 3 equals. In these instances, the City will distribute the funds collected pursuant to Calculation 1 *pro rata* based on the amount of Over-Expenditure being carried by each Previous Agreement; and



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- c) the ability to assess a subdivision or development of Industrial Lands an assessment equal to Calculation 1, regardless of what Calculation 3 equals. In these instances, the City will distribute the funds collected pursuant to Calculation 1 *pro rata* based on the amount of Over-Expenditure being carried by each Previous Agreement.

2.15 Arterial Road Right-of-Way Closures

- 2.15.1 When an Arterial Road right-of-way closure occurs, whether the Arterial Road be a government road allowance or not, and those lands are sold, the proceeds of that sale shall be distributed *pro rata* based on the Over-Expenditures being carried by Previous Developers in the applicable Catchment.

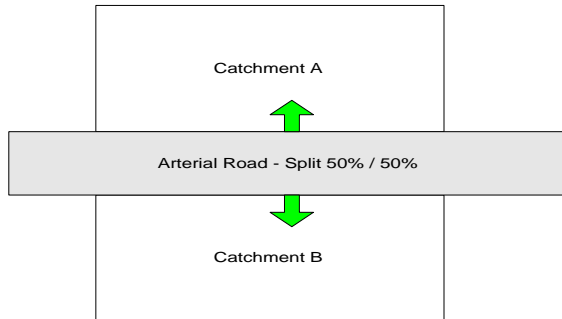
2.16 City Acquisition of Lands for Arterial Dedication

- 2.16.1 In the event Arterial Road right-of-way is required to be purchased from a third party land owner in order to facilitate the construction of an Arterial Road, the Developer will be fully responsible for negotiating the purchase. Should the Developer fail to acquire all of the necessary lands, upon exhausting all possible efforts as proven to the City through the submission of detailed documentation, the City may choose to negotiate the purchase of the land from the third party on behalf of the Developer to facilitate development.
- 2.16.2 In the event that the City purchases an area of land on behalf of the Developer that is required to be dedicated as Arterial Road right-of-way, the City will be entitled to receive credit for the Arterial Dedication for an amount equal to the full purchase price of the land, including recovery of all damages and expenses to acquire the lands.
- 2.16.3 In the event that a Developer purchases an area of land that is required to be dedicated as Arterial Road right-of-way, and that land price exceeds that of the Arterial Road Dedication Rate, in extreme circumstances, the Developer may be entitled to receive credit for the Arterial Dedication for an amount up to, but not greater than, the purchase price of the land, including recovery of all damages and expenses to acquire the lands. Approval of the increased recovery amount must be approved by the City prior to executing a transaction and making a claim for additional costs beyond the prescribed Arterial Dedication Rate.

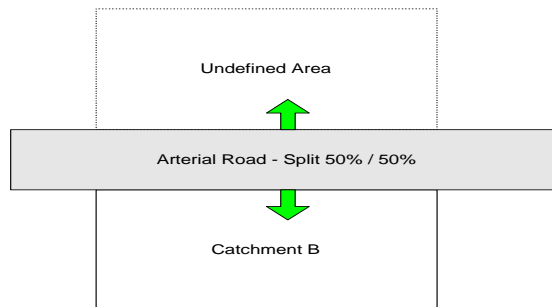
APPENDIX “A”
CITY PROCEDURE FOR CITY POLICY C507

The following principles are to be used when assigning the Construction Costs of an Arterial Improvement to Catchments, when the Arterial Improvement does not fall entirely within one Catchment:

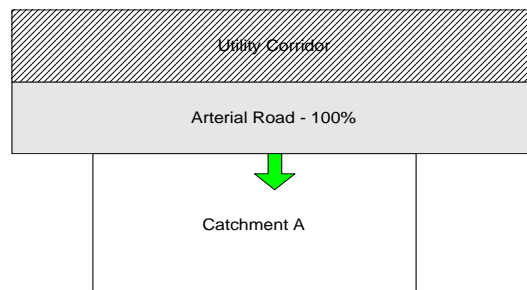
1. **Arterial Road Bisecting Two Catchments** — the cost of an Arterial Road which bisects adjacent catchments will be deemed to benefit each catchment on a 50% / 50% basis. That is $\frac{1}{2}$ of the cost of the Arterial Road will form part of the assessment of each catchment.



2. **Arterial Road Bordering a Catchment Area and an Undefined Area of Development** — will be treated in a fashion similar to an Arterial Road bisecting two catchment areas. Costs allocated to the undefined area will be applied to the undefined area when an ARA catchment is created for the undefined area.

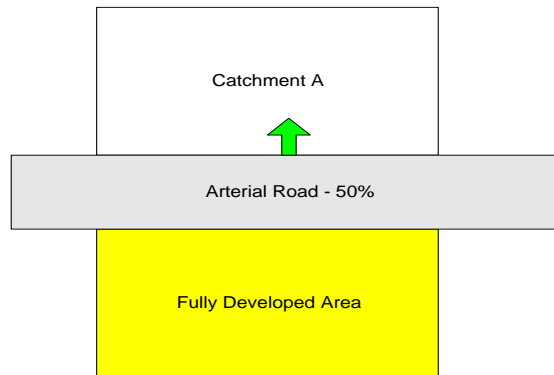


3. **Arterial Road Bordering a Catchment Area and an Area Not For Future Development** — for situations where an Arterial is required which borders a catchment and an area which is not slated for development (these areas may include but are not be limited to the Transportation Utility Corridor, a ravine or un-developable natural area) the cost of an Arterial Road will be borne 100% by the catchment area.

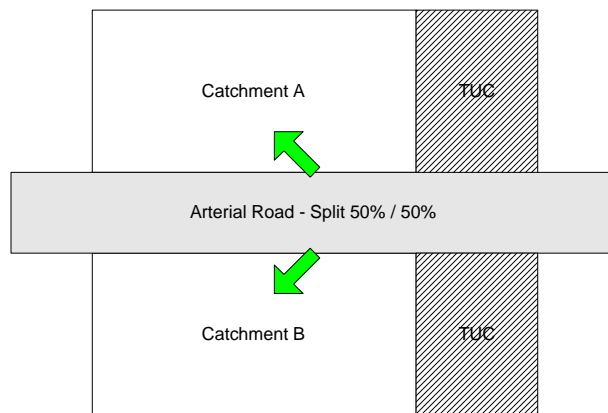


APPENDIX “A”
CITY PROCEDURE FOR CITY POLICY C507

Arterial Road Bordering the Boundary of the City or Bisecting a Catchment Area and an Area Fully Developed Prior to Adoption of Arterial Roadway Assessments — the catchment area will be required to bear half the cost of the Arterial Road unless otherwise determine by the City.



4. **Arterial Roads Crossing or Connecting to the Transportation Utility Corridor** — where an Arterial Road required for access must be extended across the Transportation Utility Corridor, the cost of the Arterial Road will be attributed to the catchments immediately outside of the TUC.



5. **Arterials Required for Access** — where an Arterial Road required for access must be extended from an existing developed area through an area that does not fall within an ARA catchment, construction costs will be allocated equally to all the catchments requiring extension of the Arterial Road for access.

