

LETTER OF CREDIT POLICY

SITE PLAN SECURITIES

For development proposals approved under Section 41 of the *Planning Act* (Site Plan Approval), the City may require the posting of performance securities, such as Letter of Credit, to be held against the completion of all on-site works (i.e. Landscaping and Engineering).

1. ON-SITE WORKS

There are two alternatives for calculating the amount of the required Letter of Credit for on-site works:

a) Detailed Cost Estimates

Complete an itemized cost estimate for 100% of the cost of the exterior works as per the Guides for Estimating Security Requirements for Landscaping and Engineering (see SCHEDULE "1" and "2").

The applicant is to submit the cost estimates for review by the Planning Division. Securities will be required in the amount of 75% of the approved cost of the works.

An example of an Irrevocable Letter of Credit is attached as SCHEDULE "3".

b) Lump Sum Payment

The amount of the Letter of Credit is calculated based on the area and street frontage, and the type of land use. The following formulas shall be used for calculating the value of the required Letter of Credit:

For new development, the amount of the letter of credit shall be based on the following, which may or may not represent 75% of the estimated cost of exterior site works, but in no case shall the amount be less than \$50,000.00:

Residential: \$75,000 per hectare + \$800 per metre frontage
Industrial: \$25,000 per hectare + \$200 per metre frontage
Institutional: \$30,000 per hectare + \$600 per metre frontage
Commercial: \$75,000 per hectare + \$600 per metre frontage

For additions, alterations or additional buildings on developed sites, the amount of the letter of credit shall be based on the following, which may or may not represent 75% of the total cost of all site development works, but in no case shall the amount be less than \$25,000.00:

Residential: \$38,000 per hectare + \$400 per metre frontage
Industrial: \$12,500 per hectare + \$100 per metre frontage
Institutional: \$15,000 per hectare + \$300 per metre frontage
Commercial: \$38,000 per hectare + \$300 per metre frontage