



1. Statement of Policy

The Government of the Northwest Territories will support the physical development of communities and the provision of land for housing as well as for community and economic development.

2. Principles

The Government of the Northwest Territories will adhere to the following principles when implementing this Policy:

- (1) Community physical growth should be accommodated in a manner that protects public safety, is economically efficient and supports healthy and sustainable communities.
- (2) Land development costs should be fully recovered.
- (3) Developed land should be available when needed.
- (4) Developed land in communities should be affordable.
- (5) Community governments should have sufficient access to financial resources to undertake land development in a timely manner.
- (6) Community governments should be responsible for land development and their autonomy should be maximized.

3. Scope

This Policy applies to the manner in which land is developed or financed in all communities in the Northwest Territories.



4. Definitions

The following terms apply to this Policy:

Community Government - a municipal corporation or, in the absence of a municipal corporation, a community governing authority recognized by the Minister of Municipal and Community Affairs and designated eligible under Schedule 1 of this Policy.

Debenture - an instrument which constitutes a promise by a municipal corporation to repay the stated principal sum borrowed by a fixed date and place and to pay interest thereon at a stated rate and at stipulated times in the term.

Development Costs - the capital costs incurred in developing land after deducting those infrastructure components that are funded by capital grants or contributions received from the Government of the Northwest Territories. Capital costs may include, but are not limited to:

- (a) planning and engineering design;
- (b) project management;
- (c) road construction;
- (d) culverts and drainage works;
- (e) sidewalks;
- (f) landfill;
- (g) open spaces;
- (h) piped water and sewer lines;
- (i) electrical distribution lines (and poles);
- (j) legal surveys;
- (k) telephone services;



- (l) land acquisition and/or disposal costs; and
- (m) financing and interest charges incurred in developing the land.

Land Developer - a public or private corporate entity that develops land.

Land Development - the preparation of land for construction by the addition of public services such as roads, drainage, electricity or legal surveys.

Land Development Debenture - a debenture or other financial instrument which is issued for the specific purpose of developing land and which is redeemed through the revenues generated by the sale or lease of land.

Land Development Debenture Borrowing By-law - a by-law passed by a municipal corporation pursuant to municipal legislation to obtain a debenture, or other long term financing, from the Government of the Northwest Territories or financial institution, as allowed for in legislation, for the purposes of developing land.

Land Development Fund - a separate fund established by a municipal corporation to receive revenues from the sale or lease of land.

Municipal Debenture Review Committee - a committee of Government of the Northwest Territories officials jointly established by the Ministers of Municipal and Community Affairs and Finance to review land development debenture or long term financing applications from municipal corporations.

Municipal Corporation - a corporation established under or continued by the *Charter Communities Act*, the *Cities, Towns and Villages Act*, or the *Hamlets Act*. For the purposes of this Policy, "municipal corporation" does not include corporations established under the *Settlements Act*.

Municipal Programs and Services - those programs and services which are normally provided by community governments, including the provision of water; collection, treatment and disposal of sewage and garbage; fire protection; road maintenance; recreation; by-law enforcement; land use control and community planning. This may also include land administration, borrowing and the collection of property taxes.

Private Land Development - where lands are held by a private corporation and the land developer is responsible for the financing, construction and disposal of land.



5. Authority and Accountability

(1) General

This Policy is issued under the authority of the Executive Council. The authority to make exceptions and approve revisions to this Policy rests with the Executive Council. Authority and accountability is further defined as follows:

(a) Minister

The Minister of Municipal and Community Affairs (the Minister) is accountable to the Executive Council for the implementation of this Policy.

(b) Deputy Minister

The Deputy Minister of Municipal and Community Affairs (the Deputy Minister) is accountable to the Minister and responsible to the Minister for the administration of this Policy.

(2) Specific

(a) Executive Council

The Executive Council may waive ratepayers' approval of land development debentures in accordance with municipal legislation.



(b) Minister

The Minister:

- (i) will report on the conformity to this Policy of all Government of the Northwest Territories land development debenture requests to the Minister of Finance;
- (ii) will, in cooperation with the Minister of Finance, establish the Municipal Debenture Review Committee;
- (iii) may recognize community authorities for the purpose of this Policy; and
- (iv) may approve a municipal corporation's land development borrowing by-laws.

(c) Minister of Finance

The Minister of Finance will:

- (i) review and approve all land development debenture and long term financing applications;
- (ii) approve the terms and conditions of land development debentures;
- (iii) ensure all Government of the Northwest Territories land development debenture approvals adhere to applicable financial and municipal legislation; and
- (iv) in cooperation with the Minister of Municipal and Community Affairs, establish the Municipal Debenture Review Committee.



(d) Deputy Minister

The Deputy Minister:

- (i) shall appoint departmental staff to the Municipal Debenture Review Committee; and
- (ii) may approve payment under the Maximum Lot Cost Subsidy Program.

(e) Deputy Minister of Finance

The Deputy Minister of Finance:

- (i) shall appoint departmental staff to the Municipal Debenture Review Committee; and
- (ii) shall collect on debenture payments.

(f) Municipal Debenture Review Committee

The Municipal Debenture Review Committee:

- (i) will perform duties with respect to land development debentures in accordance with directives approved by the Financial Management Board; and
- (ii) shall be comprised of two Municipal and Community Affairs officials appointed by the Deputy Minister and two Finance officials appointed by the Deputy Minister of Finance.



6. Provisions

(1) Government's Involvement in Land Development

- (a) The Government of the Northwest Territories may provide resources for land development projects in communities where:
 - (i) land development cannot be undertaken by the community government or the private sector;
 - (ii) there is a need to provide an adequate supply of building lots for residential, commercial, industrial and public uses; and
 - (iii) the project meets the approved capital standards and criteria for land development pursuant to this Policy.
- (b) Land development costs will be recovered through the provisions of the Land Pricing Policy.
- (c) A project authority agreement (with no community contributions), consistent with the Municipal Capital Assistance Policy and Settlement Capital Assistance Policy, may be entered into with community governments to undertake land development projects.
- (d) Land which is owned by community governments or by the federal government may be developed by the Government of the Northwest Territories, provided full cost recovery agreements are in place.

(2) Land Development Loans to Municipal Corporations

The Minister of Finance may approve loans to municipal corporations through debentures for the purposes of land development according to the provisions of this Policy.



(3) Applications for Land Development Debentures

- (a) All land development debenture applications from municipal corporations shall be supported by a project plan including, but not limited to, the following:
- (i) the time frame and construction schedule for the project;
 - (ii) the proposed land use types and mix;
 - (iii) the number of lots and land tenure of the project;
 - (iv) the substantiation of the project including relevant demographic and market factors;
 - (v) an approved plan of subdivision under the *Planning Act* and *Land Titles Act*;
 - (vi) a statement of the current balance in the municipal corporation's land development fund;
 - (vii) the proposed repayment scheme;
 - (viii) a statement of estimated project expenses and revenues, including any anticipated grants and contributions;
 - (ix) an estimate of the purpose and amount of any off-site levies; and
 - (x) a description of the method(s) of land disposal.
- (b) Complete project plans should be submitted to the Deputy Minister by September 30 each year prior to the proposed construction season of the land development project.



(4) Eligibility for Debenture

- (a) To be eligible for debenture financing from the Government of the Northwest Territories, a municipal corporation must have the legal capacity to borrow on a long term basis for land development purposes and the land development project must:
- (i) be located within the boundaries of the community government;
 - (ii) provide access (i.e., public roads and/or piped water/sewer) to areas that were not previously serviced or available for development;
 - (iii) be for residential, commercial, industrial or public uses;
 - (iv) have a land tenure system that provides for the registration and assignment of mortgage interests; and
 - (v) be located on lands under the administration and control of the municipal corporation.
- (b) Land development debentures are not available for:
- (i) the purchase or acquisition of land without providing new public servicing to the land;
 - (ii) projects consisting only of the provision of piped service connections to the lot from existing trunk or lateral lines; and
 - (iii) projects sponsored by any other entity that is not a municipal corporation as defined by this Policy.

(5) Debenture Approval Criteria

When reviewing applications for debenture approval, the Municipal Debenture Review Committee shall consider the following:



- (a) The financial risk to the Government of the Northwest Territories, including:
 - (i) the likelihood of the borrower being able to repay the debenture;
 - (ii) the proposed development creates no more than a three-year supply of lots for the community;
 - (iii) market demand for, and affordability of, developed land; and
 - (iv) the credit history and financial administration capability of the municipal corporation.
- (b) Land development projects shall comply with federal and territorial legislation dealing with public health and safety.
- (6) Debenture Terms and Conditions
 - (a) The debenture or borrowing instrument shall only be used for development costs for the approved project.
 - (b) The land development debenture entered into between the Minister of Finance and a municipal corporation shall conform to directives approved by the Financial Management Board.
 - (c) Interest charges shall be set by the Department of Finance.
 - (d) Debentures shall be repaid according to the following terms and conditions:
 - (i) the repayment period shall be established by the Municipal Debenture Review Committee and shall not exceed 15 years;



- (ii) debentures shall be repaid through the municipal corporation's land development fund in accordance with the terms of the debenture or borrowing instrument; and
- (iii) early payment on the debenture principal may be made without penalty at any time.

(7) Procedure on Default Payments

- (a) Where a municipal corporation defaults on a debenture or borrowing instrument, the Deputy Minister of Finance shall attempt to collect the amount owing to the Government of the Northwest Territories.
- (b) Where the attempt does not result in collection of the amount owing to the Government of the Northwest Territories on a debenture, the Deputy Minister of Finance shall determine a course of action in accordance with directives approved by the Financial Management Board.

(8) Financial Guarantees

Any financial guarantees requested from the Government of the Northwest Territories for a land development project shall be subject to the provisions of Sections 6(4) and (5).

(9) Land Development Borrowing By-Laws

In order to be eligible for debentures, a municipal corporation must pass a land development borrowing by-law which must be approved by the Minister of Municipal and Community Affairs.

When a municipal corporation requests a land development debenture from the Government of the Northwest Territories, the Minister of Municipal and Community Affairs shall consider the recommendation of the Municipal Debenture Review Committee prior to making a decision with respect to approval of a land development borrowing by-law.



(10) Waiving Ratepayers' Approval

The Executive Council may waive the need for ratepayers' approval for a land development debenture as outlined in the *Cities, Towns and Villages Act*, the *Hamlets Act*, and the *Charter Communities Act*.

(11) Private Loans

The Minister of Municipal and Community Affairs shall consider the criteria in Sections 6(4) and (5) when deciding whether to approve long term borrowing by-laws when the municipal corporation's borrowing is not from the Government of the Northwest Territories.

(12) Land Development on Commissioner's Land by Private Developers

The Government of the Northwest Territories may allow private land developers to subdivide and develop large parcels of Commissioner's land where:

- (a) the proposal is approved by the community government, and is consistent with their community plan/land use plan and zoning by-law;
- (b) the land development project would be built consistent with Government of the Northwest Territories approved capital standards and criteria for land development; and
- (c) the land development project will result in lot prices less than or similar to the price if the Government of the Northwest Territories were to develop the land.

Where the Minister and community government agree that there is a market and an interest for private land development, a call for proposals to develop the land will be requested. Following acceptance of a proposal, the department will enter into an agreement to transfer the land to the private developer. The transfer will include terms dealing with the construction standards and schedule of the project and the land disposal and pricing methods to be used by the private land developer.



(13) Business Incentive Policy

- (a) All community governments shall comply with the intent of the Government of the Northwest Territories Business Incentive Policy in undertaking contracts to provide for land development projects for which the Government of the Northwest Territories provides more than half of the capital funds. Provisions related to business incentive or preference shall be set out in agreements between the Government of the Northwest Territories and the community government.
- (b) Land development debentures are not subject to the Business Incentive Policy.

(14) Maximum Lot Cost Subsidy Program

Where land development costs are unusually expensive due to unique terrain and construction costs (e.g., high gravel costs, rock blasting or large amounts of fill in poorly drained areas), the Government of the Northwest Territories may provide contributions to land developers to assist with providing developed land that is affordable.

7. Financial Resources

Any payments made under this Policy must be in accordance with the *Loan Authorization Act* and are conditional on approval of funds in the Main Estimates by the Legislative Assembly and there being a sufficient unencumbered balance in the appropriate activity for the fiscal year for which the funds would be required.



8. Prerogative of Executive Council

Nothing in this Policy shall in any way be construed to limit the prerogative of the Executive Council to make decisions or take action respecting land development outside the provisions of this Policy.

Premier and Chairman of the
Executive Council



Schedule

Eligibility for Land Development Capital Projects

Schedule 1



SCHEDULE 1

ELIGIBILITY FOR LAND DEVELOPMENT CAPITAL PROJECTS

In addition to municipal governments, the following communities are eligible to receive funding under the Land Development Policy. Communities are listed by organizational structure:

Unincorporated Communities

Dettah
Hay River Reserve
Jean Marie River
Kakisa
Lutsel K'e
Nahanni Butte
Rae Lakes
Snare Lake
Trout Lake
Wrigley

Settlements

Colville Lake

Settlement Corporations

Enterprise