



## RM OF LUMSDEN NO. 189

### POLICY

---

Title: **Municipal Reserve Policy**

Effective: August 3, 2023

Amended: October 17, 2024

#### **Background:**

Section 186 and 187 of *The Planning and Development Act, 2007* outline the legislative requirements pertaining to municipal reserve and money in lieu of municipal reserve for subdivision applications.

#### **Whereas:**

The approving authority may require the owner of land that is the subject of a proposed subdivision to provide:

- Part of the land as municipal reserve;
- Money in lieu of municipal reserve; or
- A combination of land and money.

#### **Whereas:**

Land provided as municipal reserve becomes the property of the municipality in which it is located, and it is impractical for the Rural Municipality to own and maintain small land holdings in rural subdivisions for public recreation purposes.

#### **Whereas:**

It is desirable for the Rural Municipality to collect money in lieu of municipal reserve to be deposited into the dedicated lands account to be put toward centralized facilities and projects within the region.

#### **And Whereas:**

The value of land required for municipal reserve must be equivalent to the value of the land that would have been dedicated. And further, the value of land must be determined by a qualified appraiser selected and paid for by the municipality; unless the value of the land is recommended by the municipality in which the land proposed for subdivision is located; and agreed to by the applicant and the approving authority.

#### **Purpose:**

The purpose of this policy is to establish guiding principles and criteria upon which consideration is to be given when determining the value of money in lieu of municipal reserve, which must equal the value of the land that would have been dedicated and is based on the intended use of the subdivision. This policy shall establish the manner and frequency in which the RM shall determine the value of money in lieu as well as to promote transparency in determining this value during the subdivision process.



## RM OF LUMSDEN NO. 189

### POLICY

#### Guidelines:

The RM will undertake a background study to determine the appraised value of non-agricultural land sales on a 5-year basis across the RM to determine the average value of land on a per acre basis.

The median land value per acre will be used to calculate the money in lieu of municipal reserve. The median land value per acre will be used for a 5-year period (until 2028) after which time, the RM will review the policy and undertake a new background study with updated land sales to inform the median value for another 5-year period.

#### Policy:

1. The RM commissioned a background study, prepared by Brunsdon Lawrek & Associates, on Residential Acreages Sales between January 1, 2018 – February 1, 2023. The summary of findings is presented in the below table:

	Sale Price	Sale Price per Acre
Minimum	\$75,000	\$4,434
Maximum	\$275,000	\$63,510
<b>Median</b>	<b>\$145,000</b>	<b>\$19,000</b>

2. For all residential subdivision applications subject to the municipal reserve requirement, the following payment shall be required in lieu of dedicating land:

- **\$19,000 per acre (the equivalent of \$46,930 per hectare)**

3. If the applicant of a proposed subdivision disagrees with this value they may undertake their own appraisal, by a qualified appraiser, at their own expense. The value of the land, based on a residential end use, determined in the site-specific appraisal will be used for the purposes of calculating the money in lieu requirement on a per acre basis.

4. For all non-residential (i.e. commercial) subdivision applications, the municipality shall engage a qualified appraiser to determine the value of the land that would have been dedicated, based on the intended use of the subdivision.

5. The complete amount owing shall be provided to the applicant in writing by the municipality.

6. Payment shall be required at the time of signing of the Servicing Agreement for the proposed subdivision, as required.