

Explanation of Reserve Dedication

The *Municipal Government Act* (the Act) identifies different types of reserve land that a municipality can require an owner to provide at the time of subdivision of a parcel. The pre-application meeting discussed above is a very good opportunity for an applicant to meet with the Village administration to discuss what potential reserve lands the Village may require as part of the subdivision, and how those reserve lands will be dealt with.

As outlined in Section 663 of the Act, there are specific circumstances where reserves will not be required. These include: a) where one lot is to be created from a quarter section of land; b) where land is to be subdivided into parcels of 16.0 hectares or more and is to be used only for agricultural purposes; c) the land to be subdivided is 0.8 hectares in size or less; or d) where reserves have already been provided for the subject parcel.

Reserve lands are generally classified into three types: **environmental reserve**, **municipal reserve**, and **school reserve**. Required reserve land will be identified as part of the review of a subdivision application, and in most cases, how those reserves will be allocated will be identified as a condition of subdivision approval.

As outlined in Section 664 of the Act, portions of a parcel may be designated **environmental reserve** if they consist of the following: a) a swamp, gully, ravine, coulee or natural drainage course; b) land that is subject to flooding or is, in the opinion of the subdivision authority, unstable; or c) a strip of land, not less than 6 metres in width, abutting the bed and shore of any lake, river, stream or other body of water for the purpose of preventing pollution, or providing public access to and beside the bed and shore. Lands that can be defined as environmental reserve under the parameters outlined in Section 664 of the Act should not be designated as municipal or school reserve land. Section 664 of the Act also provides the opportunity for an area of a parcel to be designated as an **environmental easement** instead of reserve land, subject to the agreement of the Village.

As outlined in Section 666 of the Act, portions of a parcel may be designated **municipal reserve** or **school reserve**. Lands designated as municipal reserve are typically used for public parks, sports fields, or for other public recreation purposes. As the name implies, school reserves are lands set aside for use by public school authorities for school facilities. The total area of lands to be designated as municipal or school reserve as part of a subdivision of a parcel can not exceed 10% of the original parcel area, less any lands to be designated for environmental reserve.

For example:

- Area of parcel to be subdivided: 40.0 ha
- Lands to be designated environmental reserve: 3.5 ha
- Area of parcel to be considered for municipal or school reserve: 36.5 ha
- **Total maximum municipal or school reserve dedication (10%): 3.65 ha**

Section 667 of the Act identifies the opportunity for a municipality and an applicant to agree to provide money in place of municipal or school reserve land. This is referred to as **money-in-place** of reserve land (sometimes referred to as 'cash-in-lieu'). Money-in-place cannot be allocated for lands designated as environmental reserve. If money-in-place of municipal or school reserve is to be collected, a market value appraisal prepared by a certified Alberta Land Appraiser must be provided to the Village for the existing parcel of land. Cost associated with the report is the responsibility of the applicant.

The appraisal must be prepared within the 35 day period following the date on which the application for subdivision is made. The Village must agree that the dollar value of the parcel subject to the proposed subdivision identified in the appraisal report is accurate and a fair representation of the full market value of the parcel. If money-in-place of municipal or school reserve land is to be provided to the Village, the amount of money required must be specified as a condition of approval of a subdivision application. These monies are then provided by the applicant or owner directly to the Village. Further to Section 671 of the Act, money collected in place of municipal or school reserve can only be used by the Village and the school authorities for the following purposes: a) a public park; a public recreation area; c) school authority purposes; or d) to separate areas of land that are used for different purposes.

Municipal or school reserves do not necessarily have to be provided as an actual parcel or as money-in-place of land at the time of subdivision. Section 669 of the Act provides for the opportunity for a subdivision authority to direct that the requirement to provide all or part of those reserves be deferred against: a) the remainder of the parcel that is the subject of the proposed subdivision approval; b) other land of the person applying for subdivision approval that is within the same municipality as that parcel of land; or c) both a) and b). If the deferment of the required municipal or school reserve is directed by the subdivision authority, a caveat outlining how the reserves will be dealt with in the future must be filed with Alberta Land Titles against the title of the land subject to the subdivision application. This type of instrument is referred to as a **Deferred Reserve Caveat**. This caveat does not absolve an owner from providing the required municipal or school reserves, but simply identifies how and when the reserves will be provided in the future. A deferred reserve caveat can not be used to defer the provision of lands identified as environmental reserve.

At the time of a subdivision application, a municipality may also require a portion of the land to be subdivided to be set aside for use as public roadway, public utilities, or both. Section 662 of the Act outlines that lands to be provided for public roadways and/or public utilities may not exceed 30% of the original parcel area, less any lands to be designated for environmental reserve.