



Corporate NO: R014

Report COUNCIL DATE: January 24, 2000

REGULAR COUNCIL

TO: Mayor & Council DATE: January 19, 2000

**FROM: Manager, Land Development and Transportation
Engineering Department FILE: 7898-0162-00**

SUBJECT: West Cloverdale North NCP Development Works Agreements for Trunk Storm Sewer and Trunk Sanitary Sewer

RECOMMENDATION

1. That Council authorize the introduction of the West Cloverdale North NCP Trunk Storm Sewer and Trunk Sanitary Sewer Development Works Agreement By-laws to recover the frontending developer's interest for the financing of the West Cloverdale North NCP trunk storm sewer and trunk sanitary sewer from subsequent developers in the catchment areas.
2. That the frontending developer pay a Development Works Agreement fee of \$3,500 each to cover the administration of each Development Works Agreement over the 10 year agreement period.

INTENT

The intent of this Corporate Report is to provide Council with the background on the proposed Trunk Storm Sewer and Trunk Sanitary Sewer Development Works Agreements and to introduce the related by-laws for the West Cloverdale North NCP.

BACKGROUND

In January, 1998, Council approved a report authorizing the use of Development Works Agreements to assist frontending developers in financing the construction of major infrastructure works in NCP areas. Also included was a fee for administering of the agreement to be borne by the developers.

The City has used Development Works Agreements in the past to recover the capital cost over and above that which was recoverable from the DCC's collected in the benefiting area. The difference here is that these

Development Works Agreements allows the frontending developer to recover the estimated interest costs for financing the design and construction of the trunk storm sewer and the trunk sanitary sewer. This is an additional mechanism the City can use to assist the development industry in financing projects involving large front ending servicing requirements.

The West Cloverdale North NCP Servicing Plan identifies the requirement of a trunk storm sewer and a trunk sanitary sewer to serve the catchment area, laying between 61 Avenue and 64 Avenue, and between 164 Street and 168 Street. These two trunk sewers will have to be constructed before any development in the area can be adequately serviced. The catchment areas and the trunk sewers are shown on the attached Figures 1 and 2. Based on the pre-construction estimates, the 7% interest costs recovered uniformly over a 10 year period will amount to \$673,921 for the trunk storm sewer and \$460,552 for the trunk sanitary sewer. Distributed evenly over every new lot or unit to be created in the benefiting area, a per unit specified charge of \$509/unit and \$449/unit respectively will result for the storm sewer and sanitary sewer. Currently the DCC charge is \$16,905 per single family unit. The frontending developer, Five Corners Joint Ventures, is prepared to facilitate the design and construction of these two sewers as well as financing the projects provided they can recover the costs from future developers in the benefiting area. A DCC Frontending Agreements (addressed in a separate report) will allow the frontending developer to recover the engineering and construction cost of the two sewers, and the Development Works Agreement will allow the frontending developer to recover the financing costs of the two trunk sewers.

A separate Development Works Agreement will be entered into for the storm sewer and the sanitary sewer as each trunk sewer has a slightly different catchment area (benefiting area).

The frontending developer has petitioned all the land owners in each catchment area and has received the following support:

- **storm sewer:** support from 75.8% of the land owners representing 68.8% of the value of the land;
- **sanitary sewer:** support from 78.6% of the land owners representing 60.7% of the value of the land.

Both of these petitions exceed the Municipal Act's minimum requirements of 66.6% of the land owners representing at least 50% of the value of the land.

The original petitions have been submitted to the City and have been certified by the City Clerk as meeting the City and Municipal Act requirements. A copy of the petition is attached.

DISCUSSION

These will be the third and fourth Development Works Agreements for the City to process since adopting the use of this financing approach in January, 1998. The frontending developer has been working with the City in executing the petitioning process and in submitting the necessary supporting documentation. These documents have been reviewed by the Legal Services Division, the Engineering Department and the City Clerk, and found to satisfy the City's requirements.

The Legal Services Division will draft by-laws that, if approved by Council, will obligate all developers in the catchment areas (see attached Fig. 1 and Fig. 2) to pay an additional per unit charge, over and above the DCCs for the development, to the City prior to their Servicing Agreement being approved. The City will collect these contributions and return them to the frontending developer once each year. The agreement will be valid for 10 years, or until the frontender has been reimbursed for the full estimated interest cost of the storm sewer and sanitary sewer works, whichever comes first.

The By-laws will be introduced for initial readings by the City Clerk if the recommendations of this report are approved by Council.

The costs of \$3,500 each for administering these agreements will be paid up front by the developer.

The Development Works Agreement fees have been set based on the estimated staff time to review and set up the agreement, and to administer the agreement over the 10 year agreement period.

CONCLUSION

A frontending developer in the West Cloverdale North NCP has requested Council to pass by-laws to establish two Development Works Agreements that allow them to recover, from subsequent developers in the catchment area, the interest costs of financing the construction of the trunk storm sewer and the trunk sanitary sewer. The petition and the Development Works Agreements are in accordance with the West Cloverdale North NCP Servicing Plans and in accordance with the practice approved by Council in January, 1998.

The supporting documentation has been reviewed by the Engineering Department, the City Clerk and the Legal Services Division, and found to meet the City's requirements.

Jamie Umpleby, P.Eng.

Manager, Land Development & Transportation

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Attachments

c.c. - Assistant City Solicitor, Legal Services Division

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