



Corporate NO: R015

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 Cost Charge Frontending Agreements for Storm Sewer and for Sanitary Sewer

RECOMMENDATION

1. That Council approve the use of the West Cloverdale North NCP Trunk Storm Sewer and Trunk Sanitary Sewer Development Cost Charge Frontending Agreements to reimburse the frontending developer for the construction of the trunk storm sewer and the trunk sanitary sewer to serve the West Cloverdale North Neighbourhood Concept Plan area.
2. That the frontending developer pays a Development Cost Charge Frontenders Agreement fee of \$3,500 each for the preparation, registration and administration of each Agreement.

INTENT

The intent of this report is to support the request by a frontending developer to finance the construction of the trunk storm sewer and trunk sanitary sewer, as required by the West Cloverdale North NCP Servicing Plan. These facilities are required before any development can proceed in the benefiting area. In order to open up this benefiting area at this time, both trunk sewers are required.

BACKGROUND

The West Cloverdale North NCP Servicing Plan requires a trunk storm sewer and a trunk sanitary sewer valued at approximately \$1.8 million and \$1.3 million respectively (includes engineering and construction) to service the catchment area bounded approximately by 164 and 168 Streets and 61 and 64 Avenues (see Figure 1). These two trunk sewers are in the City's current 10 Year Servicing Plan and are proposed to be constructed in future using Development Cost Charges. Projected DCC's to be collected in the benefiting areas are \$2.48 million and \$1.4 million for storm sewer and sanitary sewer respectively.

There are no trunk storm or sanitary sewers to serve this catchment area and, therefore, no development can take place until the two trunk sewers have been constructed. The City does not have excess drainage or sanitary DCCs available to fund the trunk sewers at this time. The City's policy is not to fund the pre-servicing of Neighborhood Concept Plans using City funds. As a result, the first developer has offered to fund the construction of the two trunk sewers in the West Cloverdale North NCP, provided that they will be reimbursed by the City over time, as drainage and sanitary Development Cost Charges are collected from benefiting areas. The DCC Frontending Agreements provide that assurance. The frontending developer intends to fund and complete the construction of the two sewers within 12 months of the Agreements being executed. The two DCC Frontenders Agreements will collectively reimburse the frontending developer approximately \$3.1 million from DCCs collected in the benefiting area shown in Figure 1. A further amount of approximately \$1.1 million in financing costs over 10 years will be collected and reimbursed through two Development Works Agreements (addressed in a separate report). These costs are approximate and will be certified once the construction of works is complete.

The frontending developer has also requested that other land owners in the benefiting area who are prepared to contribute towards the construction of the two trunk sewers be recognized in the agreement by affording them a credit, equivalent to the amount of their contribution, towards their DCC's which will be payable at the time of their development. This approach has been reviewed and approved by the Legal Services Division and this request has been incorporated into both DCC Frontenders Agreements.

DISCUSSION

The work proposed to be financed and constructed by the developer is work that is now in the 10 Year Servicing Plan and is included in the calculations of the Development Cost Charges. The City's current policy is not to fund the preservicing of NCP's nor are there excess Development Cost Charge funds needed to construct the works in advance of development. It is, therefore, reasonable for the City to agree to enter into an agreement with the developers whereby the developers finance the infrastructure as outlined, and the City reimburse them as Development Cost Charges are collected from the benefiting properties.

The City's Legal Services Division has reviewed the front ending agreement process for this project and has prepared the agreements for review and execution by the frontending developer.

The Engineering Department has reviewed its flexibility with respect to financing of current and known future commitments for drainage works and sanitary sewer works and the projected growth for the City over the next 10 years. At full build-out, there will be a net surplus of drainage and sanitary sewer DCC's from this area, which will be directed towards the respective Development Cost Charges accounts to support other works within the corresponding programs.

CONCLUSION

Provided that Council consider it appropriate, from the City's perspective, to open up the West Cloverdale North NCP, the Engineering Department supports the request by the developer for the frontending agreement for the construction of the trunk storm sewer and the trunk sanitary sewer.

Jamie Umpleby, P.Eng.

Manager, Land Development & Transportation

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Attachment

c.c. - Assistant City Solicitor

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