



# Corporate *NO: R014*

# Report *COUNCIL DATE: February 3, 2003*

<b>REGULAR COUNCIL</b>			
<b>TO:</b>	<b>Mayor &amp; Council</b>	<b>DATE:</b>	<b>January 23, 2003</b>
<b>FROM:</b>	<b>General Manager, Engineering</b>	<b>FILE:</b>	<b>8200-0232-00</b>
<b>SUBJECT:</b>	<b>Rosemary Heights West NCP - Development Cost ChargeFrontending Agreement for Sanitary Sewer Servicing</b>		

## RECOMMENDATIONS

1. That Council approve the use of the Rosemary Heights West NCP Sanitary Sewer Servicing Development Cost Charge Frontending Agreement to reimburse the frontending developer for the construction of a sanitary sewer system to serve the south and west catchment areas of the Rosemary Heights West Neighbourhood Concept Plan.
2. That the frontending developer pay a Development Cost Charge Frontenders Agreement fee of \$4,000 for the preparation, registration and administration of the Agreement.

## INTENT

The intent of this report is to solicit Council's support for the request by a frontending developer to finance the construction of a sanitary sewer system serving the south and west catchment areas as required by the Rosemary Heights West NCP Servicing Plan.

## BACKGROUND

The Rosemary Heights West NCP Servicing Plan requires a sanitary sewer system, valued at approximately \$550,000 including engineering and construction, to service the catchment area bounded approximately by 32 Avenue Diversion and 36 Avenue, and 148 Street and 152 Street, as shown on the attached sketch. These sanitary sewer works are in the City's current 10 Year Servicing Plan. Projected Sewer Development Cost Charges (DCC's) to be collected in the benefiting area are \$890,000.

Development in this NCP area has not proceeded and is dependent upon the construction of this sanitary sewer system.

As the City's policy is not to initiate the servicing of Neighbourhood Concept Plans using City funds, the first developer in this sanitary sewer catchment area of the Rosemary Heights West NCP has offered to fund the construction of the sanitary sewer system, provided that they will be reimbursed by the City over time, as sanitary sewer Development Cost Charges are collected from future development within the benefiting area. The DCC Frontending Agreement provides this assurance.

The DCC Frontenders Agreement will reimburse the frontending developer approximately \$550,000 for the works from DCCs collected in the benefiting area and actual reimbursement will be based on certified costs once the construction of works is complete.

## **DISCUSSION**

The work proposed to be financed and constructed by the developer is work that is in the 10 Year Servicing Plan and is included in the calculations of the Development Cost Charges. It is, therefore, reasonable for the City to enter into an agreement with the developer whereby the developer finances the infrastructure as outlined, and the City reimburses the developer as the Development Cost Charges are collected from the benefiting properties.

The City's Legal Services Division will review the agreement for execution by the frontending developer.

The Engineering Department has reviewed its flexibility with respect to financing of current and known future commitments for sanitary sewer works, and believes that supporting this proposal will not jeopardize future program flexibility. At full build-out of the NCP, there will be a net surplus of sanitary sewer DCCs from this area, which will be directed towards budgeting other DCC related sanitary sewer works downstream of this NCP and in other areas of the City.

## **CONCLUSION**

Based upon the Rosemary Heights West NCP Servicing Plan, the Engineering Department supports the request by the developer for the frontending agreement for the construction of the sanitary sewer system serving the south and west catchment areas of the Rosemary Heights West NCP.

Paul Ham, P. Eng.

General Manager, Engineering

JMW/PH:brb/kjj

Attachment

c.c. - City Solicitor

