



Corporate Report

NO: R072

COUNCIL DATE: April 14, 2003

REGULAR COUNCIL

TO: Mayor & Council

DATE: April 3, 2003

FROM: General Manager, Engineering

FILE: 8301-0198-00

**SUBJECT: East Clayton NCP – Development Cost Charge
Frontending Agreement for Detention Pond E**

RECOMMENDATION

1. That Council approves the use of a Development Cost Charge Frontending Agreement to reimburse the frontending developer for the construction of the first phase of the community Detention Pond E to serve the northwest catchment area of the East Clayton 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 a cost recovery mechanism for the frontending developer that financed the construction of a community detention pond serving the northwest catchment area as required by the East Clayton NCP Servicing Plan.

BACKGROUND

The East Clayton NCP Servicing Plan requires a community detention pond, valued at approximately \$1,350,000 including land, engineering and construction, to service the catchment area bounded approximately by 68A Avenue and 72 Avenue, and 188 Street and 191 Street, as shown on the attached sketch. This drainage detention facility is in the City's current 10 Year Servicing Plan. Projected drainage DCCs to be collected in the benefiting area are \$1,627,000.

Land for the detention pond was secured and the detention pond has been constructed by a frontending developer on the understanding they will be reimbursed by the City over time, as drainage Development Cost Charges are collected from future development within the benefiting area. The DCC Frontending Agreement provides this assurance, and meets the City's policy to not fund the servicing of Neighbourhood Concept Plans using City funds.

The DCC Frontenders Agreement will reimburse the frontending developer approximately \$1,350,000 for the works from the DCCs collected in the benefiting area as shown on the attached map. This cost is approximate and will be finalized based on actual costs in the Agreement.

DISCUSSION

The East Clayton NCP Detention Pond E is in the 10 Year Servicing Plan and is included in the calculations of the City-wide 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 has reviewed a draft version of 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 drainage 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 drainage DCCs from this area, which will be directed towards budgeting other DCC related drainage works within the Drainage budget.

CONCLUSION

Based upon the East Clayton NCP Servicing Plan, the Engineering Department supports the request by the developer for the frontending agreement for the construction of the community detention pond serving the northwest catchment area of the East Clayton NCP.

Paul Ham, P. Eng.
General Manager, Engineering

PH/RAW/RWB:brb
Attachment

c.c. - City Solicitor

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