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Corporate Report

NO: R165

COUNCIL DATE: July 21, 2003

REGULAR COUNCIL

TO: Mayor & Council DATE: July 8, 2003

FROM: General Manager, Engineering FILE: 8302-0172-00

SUBJECT: East Newton South Neighbourhood Concept Plan

Development Cost Charges Front-Ending Agreement

RECOMMENDATIONS

- 1. That Council approve the use of the Development Cost Charges (DCC) Front-Ending Agreement to reimburse the front-ending developer for the land and construction of a community drainage detention pond for the East Newton South Neighbourhood Concept Plan (NCP) Catchment Area #1.
- 2. That the front-ending developer pay a DCC Front-Ending Agreement fee of \$4,000 for the preparation, registration and administration of the Agreement.

INTENT

The purpose of this report is to solicit Council's support for the request by a front-ending developer to finance the land and construction of the community drainage detention pond servicing Catchment Area #1, as required by the East Newton South NCP.

BACKGROUND

The East Newton South NCP requires a community drainage detention pond to service Catchment Area #1, which is bounded approximately by 143 and 148 Streets and 67 and 72 Avenues (see Figure 1). This detention pond is proposed to be constructed in the future using drainage DCC.

The developer, working with the City, has provided the necessary property and rights-of-way for the pond.

The City does not have excess drainage DCC available to fund balance of the community detention pond at this time. The remaining detention pond system required for Catchment Area #1 is valued at approximately \$873,000, which includes the cost of the land and construction. The front-ending developer has secured the land for the City and intends to fund and complete the construction of the pond within 12 months of the Agreement being executed. The DCC Front-Ending Agreement will reimburse the front-ending developer approximately \$168,000 from DCC collected in the benefiting area, as illustrated in Figure 1. Approximately \$228,000 of the DCC item will be rebated to the developer from the drainage DCCs that are payable from this developer along with a land exchange of approximately \$475,000 in value (under separate Corporate Report).

Since the City has a policy not to fund the pre-servicing of NCP using City funds, a developer has offered to fund the construction of the community drainage detention pond as outlined above, provided that he will be reimbursed by the City over time, as drainage DCC are collected from benefiting areas. The DCC Front-Ending Agreement provides that assurance.

DISCUSSION

The work proposed to be front-ended by the developer is work that is now in the 10-Year Servicing Plan and included in the calculations of the DCC. Therefore, it is reasonable that the works should be funded by the DCC.

However, due to timing, the City does not have the DCC funds needed to construct the works in advance of development in the NCP being approved. It is, therefore, reasonable for the City to agree to enter into an agreement with the developer whereby the developer finances the infrastructure as outlined and the City reimburse him as DCC are collected from the benefiting properties.

The City's Legal Services Division will review the Agreement for execution by the front-ending 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 front-ending proposal will not significantly affect the Engineering Department's program flexibility in the future.

CONCLUSION

Based upon the East Newton South NCP Servicing Plan, the Engineering Department supports the request by the developer for the front-ending agreement for the community drainage detention pond for Catchment Area #1.

Paul Ham, P.Eng. General Manager, Engineering

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c.c. - City Solicitor

Attachment
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