



Corporate Report

NO: R246

COUNCIL DATE: November 24,

2003

REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **November 18,
2003**

FROM: **General Manager,
Engineering** FILE: **8295-0156-00**

SUBJECT: **Morgan Creek Drainage Pump Station -
Development Cost Charge**
Frontending Agreement for Drainage Servicing

RECOMMENDATIONS

1. That Council approve the use of a Development Cost Charge Frontending Agreement to reimburse the frontending developer for the construction of a storm drainage pump station and associated off-site storm drainage pipe system to serve the lands south of 40 Avenue between approximately 156 Street and 160 Street, extending to approximately 34 Avenue.
2. That the frontending developer pay a Development Cost Charge Frontenders Agreement fee of \$3,000 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 storm drainage pump station and associated off-site storm drainage pipe system serving the lands south of 40 Avenue between 156 Street and 160 Street extending south to approximately 34 Avenue.

BACKGROUND

Through the design process of the Morgan Creek residential development, it was determined that there was a need to establish a storm sewer pump station including an off-site storm drainage pipe system to serve the west creek catchment. These drainage works are identified in the City's current 10 Year Servicing Plan. Morgan Creek Holdings Inc. chose to build the pump station ahead of formalizing a development cost charge frontending agreement in order to facilitate their subdivision. The pump station and off-site storm sewer had an actual cost of \$1,074,407.09 including engineering and construction. The Drainage Development Cost Charges (DCC's) already collected in the benefiting area amount to \$1,637,912.

As the City's policy is not to initiate servicing using City funds, Morgan Creek Holdings Inc. proceeded to fund the construction of the storm sewer pump station and off-site storm drainage pipe system, on the understanding that they would be reimbursed by the City over time, as storm drainage Development Cost Charges are collected from future development within the benefiting area. The DCC Frontending Agreement provides the means to do so.

A DCC Frontenders Agreement would reimburse the frontending developer \$1,074,407.09 for the works from DCC's already collected and have been set aside for this purpose.

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 current 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.

Normally the developer requests a formal DCC frontenders agreement before proceeding with the works. In this case, the developer is requesting to formalize the agreement subsequent to constructing the works and to most of the development in the benefiting area taking place. As staff were aware that Morgan Creek Holdings Inc. would be requesting such an agreement, the DCC's have been set aside for the purposes of this reimbursement.

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

CONCLUSION

Based upon the Servicing Plan for this area of Morgan Creek, the Engineering Department supports the request by the developer for the frontending agreement for reimbursement for construction of a storm drainage pump station and associated off-site storm drainage pipe system serving the lands south of 40 Avenue, between 156 Street and 160 Street, extending south to approximately 34 Avenue.

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