



Corporate Report

NO: R147

COUNCIL DATE: June 21, 2004

REGULAR COUNCIL

TO: Mayor & Council DATE: June 16, 2004
FROM: General Manager, Engineering PROJECT FILE: 4700-500
SUBJECT: Local Area Services – East Newton Sanitary Pump Station, Force Main and Gravity Main

RECOMMENDATIONS

It is recommended that Council:

1. Authorize a sanitary Local Area Service to service properties in the East Newton Sewer Catchment as shown in Appendix 1, as formally petitioned, for an estimated cost of \$1,700,000, which is to be apportioned and levied on the benefiting property owners in accordance with Cost Sharing By-law No. 15408, when final costs are determined;
2. Introduce the corresponding Local Area Service By-law.

INTENT

To fulfill Council initiative to provide sanitary sewer service to East Newton Business Park and the adjacent residential and fronting agricultural areas in the East Newton sewer catchment.

DISCUSSION

Last November, Council approved and initiated the Specified Area Charge (now called the Local Area Service under the Community Charter Act) to pre-service the East Newton Business Park and East Newton sewer catchment below the GVRD sewer collector with a sanitary pump station, force main and gravity main.

The estimated charges are: \$3,824 per connection for the residential and fronting agricultural areas, \$854 per 1,000 sq. ft for commercial areas, and \$7,700 per acre for the industrial area to cover the cost of the sanitary pump station and the force main. These estimates are apportioned by pro-rating the Sewer Development Cost Charge applicable for each type of land use zoning. An additional charge is based on equivalent connections for the gravity main of: \$2,558 per connection for the residential and fronting agricultural areas, \$774 per 1,000 sq. ft. for the commercial area, and charges for the industrial lots fronting the Gravity Main as per Schedule A (see additional charges as listed in Appendix II).

Originally, the initiation Local Area Service would be triggered by either an application representing over 10% of the total business park area or 2 major applications (each are exceeding 4 acres) within the business park. Since the Council initiation in principle, a number of developers have shown interest to develop the business park. In addition, a number has been waiting for the sanitary pump station to proceed before they proceed with their development. To date we have two active applications with a total of more than 9 acres involved. To expedite the process and to consolidate the interest in the business park, the City proceeded with the notification process for counter petition in May.

All of the counter petition responses reviewed are in favour of the Local Area Service and, consequently, the counter

petition does not apply.

The Sewer Utility will front-end the cost of this Local Area Service. Charges and the accrued interest will be payable when the benefiting lot proceeds with development, rezoning or connecting to the City sewer system through this Local Area Service. The interest rate charge will be six (6) percent per annum.

The details of the costs and apportionment to the benefiting property owners are appended to this report. There are sufficient funds in the Sewer Capital Program to cover the cost of this project.

CONCLUSION

In view of the favorable response from the counter petition, we recommend adopting Local Area Service By-law No. 15408 and proceeding with the Local Area Service works. The works are expected to be completed in early 2005. With the service in place, East Newton Business Park will add to the City's inventory of serviced industrial and business land.

Paul Ham, P. Eng.
General Manager, Engineering

VL/RL:brb
Attachment

c.c. - General Manager, Finance, Technology & HR Dept.
- City Clerk
- Local Improvement Clerk

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