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# Corporate Report

NO: R209

COUNCIL DATE: July 26, 2004

REGULAR COUNCIL

TO: Mayor & Council DATE: July 22, 2004

FROM: General Manager, Engineering FILE: 8303-0060-00 XC: 7803-0060-00

7803-0287-00 7803-0400-00

SUBJECT: Development Cost Charge Front-Ending Agreement – 68 Avenue Trunk and

**East Clayton Community Detention Pond Expansion** 

#### RECOMMENDATIONS

1. That Council approve the use of the Development Cost Charges (DCC) Front-Ending Agreement to reimburse the front-ending developer for costs to construct a portion of the 68 Avenue trunk storm sewer and to expand the existing community detention pond for the East Clayton Neighbourhood Concept Plan (NCP).

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 obtain Council approval for the request for cost recovery by a front-ending developer for costs to install community storm drainage works as required by the East Clayton NCP.

#### **BACKGROUND**

A portion of the East Clayton NCP requires the expansion of the existing community detention pond as shown as the Stage 2 Pond catchment area on the attachment. This work is proposed to be constructed in the future using drainage DCCs. In addition, a portion of the 68 Avenue trunk storm sewer must also be installed to convey flows to the pond All necessary lands and rights-of-way have been acquired by the City and are available for construction of the pond and trunk sewer. The City does not have excess Drainage DCC reserves available to fund the balance of the expansion of the community detention pond at this time. The costs (design, construction, environmental planting, and inspection) for the trunk sewer and community detention pond expansion is valued at approximately \$1,020,000.00, inclusive of GST. BFW Developments Ltd. intends to fund and complete the construction of the works within 12 months of the Agreement being executed. The DCC Front-Ending Agreement will reimburse BFW Developments Ltd. approximately \$697,734.00 from DCC collected in the benefiting area, as illustrated in the attachment. Approximately \$322,266 of the DCC item will be credited to the developer against their DCCs.

Since the City does not have sufficient DCC funds to pre-service the pond expansion for this NCP, a developer has offered to fund the construction of the community detention pond as outlined above, provided that he will be reimbursed by other developers over time, as drainage DCCs 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 in the 10-Year Servicing Plan and included in the calculations of the DCCs. 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 reimburses him as DCCs 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 Clayton NCP Servicing Plan, the Engineering Department supports the request by BFW Developments Ltd. for the front-ending agreement for the expansion of the existing community detention pond.

Paul Ham, P.Eng. General Manager, Engineering

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c.c. - City Solicitor Attachment

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