



# Corporate

NO: R245

# Report

*COUNCIL DATE: September 27, 2004*

## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 22, 2004**

FROM: **General Manager, Engineering** FILE: **8202-0358-00**  
 XC: **7802-0358-00**

SUBJECT: **Development Cost Charge Frontending Agreement**  
**177 Street Trunk Sanitary Sewer**

## RECOMMENDATIONS

1. That Council approve the use of the Development Cost Charges (DCC) Frontending Agreement to a maximum \$269,000 to reimburse the frontending developer for costs to construct a portion of the 177 Street trunk sanitary sewer for the North Cloverdale West Neighbourhood Concept Plan (NCP).
2. That the frontending developer pay a DCC Frontending Agreement fee of \$4,000 for the preparation and administration of the Agreement.

## INTENT

The purpose of this report is to obtain Council approval for the request for cost recovery by a frontending developer for costs to construct the 177 Street trunk sanitary sewer works as required by the North Cloverdale West NCP.

## BACKGROUND

The North Cloverdale West NCP requires the construction of the 177 Street trunk sanitary sewer as shown in Figure 1. This project is included in the 10-Year Servicing Plan/DCC By-law, and is proposed to be constructed in the future using sanitary DCC. Parklane Ventures Ltd. has acquired the necessary rights-of-way for the construction of the trunk sanitary sewer, and is prepared to frontend the cost of the trunk sanitary sewer.

The financial aspects of this work is as follows:

Trunk sanitary sewer cost	\$674,000
DCC credit to Parklane for their development (all phases)	\$253,000
Future estimated DCC generated from other developments	\$269,000
DCC program – sanitary upsizing (City reimbursement to Parklane)	\$152,000

Since the City does not have sufficient DCC funds to pre-service the trunk sanitary sewer for this NCP, and this trunk sanitary sewer will ultimately be extended in the future to service a much larger catchment that includes part of the Clayton Area, Parklane has offered to fund the construction of the trunk sanitary sewer as outlined above. This offer is however contingent on them being reimbursed by other developers over time, as sanitary DCC are collected from benefiting areas (Figure 1). The DCC Frontending Agreement provides that assurance. Parklane intends to fund and complete the construction of the works within 12 months of the Agreement being executed.

## **DISCUSSION**

The work proposed to be frontended by the developer is 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 sufficient DCC funds needed to construct the works in advance of development in the NCP being approved. Therefore, a combination of DCC credit, DCW payment, and a DCC Frontending Agreement will enable the developer to frontend the infrastructure as outlined and the City reimburses him as DCC are collected from the benefiting properties.

The City's Legal Services Division will review 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 sanitary works and believes that supporting this frontending proposal will not significantly affect the Engineering Department's program flexibility in the future.

The construction cost will be based on competitive tendering by the developer with the results reviewed by city staff to confirm that the bid prices represent good value for the DCC expenditures. The City will provide reimbursement based on actual certified construction and engineering costs, to the maximum amounts identified above.

## **CONCLUSION**

Based upon the North Cloverdale West NCP Servicing Plan, the Engineering Department supports the request by Parklane Ventures Ltd. for the frontending agreement for the construction of the 177 Street trunk sanitary sewer to a maximum \$269,000.

Paul Ham, P.Eng.  
General Manager, Engineering

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Attachment

c.c. - City Solicitor

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**Figure 1**

