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Corporate Report

NO:

COUNCIL DATE:

November 28, 2005

R259

REGULAR COUNCIL

TO: Mayor & Council DATE: November 23, 2005

FROM: **General Manager, Engineering** FILE: **8105-0293-00** XC: **7805-0293-00**

Development Cost Charge Front-Ending Agreement – Watermain Extension on 192 Street and 32

Avenue

RECOMMENDATIONS

1. That Council approve the use of the Development Cost Charge (DCC) Front-Ending Agreement to reimburse the front-ending developer for costs to extend a watermain along 192 Street and 32 Avenue in the Campbell Heights 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

SUBJECT:

The purpose of this report is to obtain Council approval to the request by the front-ending developer to recover costs associated with the watermain extension in the Campbell Heights NCP.

BACKGROUND

In order to provide water for fire protection and domestic purposes to the Provincial Tree Seed Centre located at 18793 – 32 Avenue a watermain extension is required from the intersection of 192 Street/28 Avenue along 192 Street and 32 Avenue. This watermain is part of the servicing program to ultimately be constructed using DCCs from Campbell Heights. The City does not have excess DCC reserves available to fund this work at this time. The engineering consultant has estimated the preliminary costs (design, construction, and inspection) for the watermain extension at approximately \$909,000, inclusive of GST. The Ministry of Forests (MoF) – Resource Tenures and Engineering Branch 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 the MoF from DCC collected in the benefiting area, as illustrated in the attachment. Such a DCC Front-Ending Agreement does not imply any City commitment on the timing or phasing of development, it merely gives the commitment that when development does proceed that surplus DCCs from the benefiting area would be used to repay the original expenditure.

DISCUSSION

The work, to be front-ended by the developer, is in the 10-Year Servicing Plan and included in the Campbell Heights DCC calculations. 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 Engineering Department has reviewed its flexibility with respect to financing of current and known future commitments for watermain works and believes that supporting this front-ending proposal will not significantly affect the Campbell Heights program flexibility in the future.

There is a committed DCC reimbursement strategy in the Campbell Heights NCP—firstly to the Campbell Heights Group then to the City; therefore, this front-ending developer will be third in the priority reimbursement order. As a result, the City has agreed to extend the term of the front-ending agreement to 15 years instead of the standard ten years, as requested by the front-ending developer.

The City's Legal Services Division will review the DCC Front-Ending Agreement for execution by the front-ending developer.

CONCLUSION

Based upon the Campbell Heights NCP Servicing Plan, the Engineering Department supports the request by the MoF for a frontage-based DCC Front-Ending Agreement to construct the watermain on 192 Street and 32 Avenue.

VL/SSL:rdd/amr Attachment Paul Ham, P.Eng. General Manager, Engineering

- c.c. City Solicitor
 - Manager, Utilities & Transportation

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