



Corporate Report

NO: R203

COUNCIL DATE: October 16, 2006

REGULAR COUNCIL

TO: Mayor & Council DATE: September 27, 2006
FROM: General Manager, Engineering FILE: 8205-0250-00
XC: 7805-0250-00
SUBJECT: Development Cost Charge Front-Ending Agreement
Morgan Creek Pump Station #1 Upgrade and Sewer Work

RECOMMENDATION

The Engineering Department recommends that Council approve the use of the Development Cost Charge (DCC) Front-Ending Agreement to reimburse the front-ending developer for costs to upgrade Morgan Creek Pump Station #1 (164 Street/36 Avenue), and replace sanitary sewers (3400 Block of Canterbury Drive to 164 Street) for the North Grandview Heights Neighbourhood Concept Plan (NCP).

INTENT

The purpose of this report is to obtain Council approval for the request by the front-ending developer to recover costs associated with the upgrading and replacement of community sanitary DCC works required in the North Grandview Heights NCP.

BACKGROUND

The North Grandview Heights NCP requires a developer to upgrade the Morgan Creek Pump Station #1 and replace sanitary sewers in the 3400 Block of Canterbury Drive to 164 Street, which are proposed to be constructed in the future using sanitary DCCs.

Since the City does not have sufficient DCC funds to complete the works for this NCP, the developer has offered to fund the construction of the work as outlined above, provided that he will be reimbursed by other developers over time, as DCCs are collected from benefiting areas (Figure 1). The DCC Front-Ending Agreement provides that assurance.

The front-ending developer intends to fund and complete the construction of the sanitary works within 12 months of the Agreement being executed. The cost (design, construction

and inspection) for the work is valued at approximately \$495,442, inclusive of 6% GST. The DCC Front-Ending Agreement will reimburse the front-ending developer \$394,000.00 (inclusive of 6% GST) from DCCs collected in the benefiting area for this work.

DISCUSSION

The work, to be front-ended by the developer, is in the 10-Year Servicing Plan (Projects 10025 / 4705-456 and 10024 / 4705-615) and is included in the 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 sanitary works and believes that supporting this front-ending proposal will not significantly affect the North Grandview Heights NCP program flexibility in the future.

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

CONCLUSION

Based upon the North Grandview Heights NCP Servicing Plan, the Engineering Department supports the request by the front-ending developer for a DCC Front-Ending Agreement to upgrade Morgan Creek Pump Station #1 and replace sanitary sewers in the 3400 Block of Canterbury Drive to 164 Street.

Paul Ham, P.Eng.
General Manager, Engineering

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Attachment

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

Figure 1