

CORPORATE REPORT

NO: R118 COUNCIL DATE: May 30, 2016

REGULAR COUNCIL

TO: Mayor & Council DATE: May 24, 2016

FROM: General Manager, Engineering FILE: 8214-0348-00-1

XC: 7814-0348-00

SUBJECT: Development Cost Charge Front-Ending Agreement for Works that Support

Development in the West Clayton Neighbourhood Concept Plan

RECOMMENDATION

The Engineering Department recommends that Council authorize the execution of a Development Cost Charge Front-Ending Agreement to an upset limit of \$707,500.00 (including all applicable taxes) with Anthem Developments Ltd. (the Developer) in relation to the construction of the sanitary sewer for the West Clayton Neighbourhood Concept Plan all as generally described in this report and in Appendix "I" attached to this report.

INTENT

The purpose of this report is to obtain approval for a Development Cost Charge Front-Ending Agreement (DCCFEA) as means by which to reimburse the Developer with a Sewer Development Cost Charge (DCC) that will be collected by the City from development on lands in the benefiting area, as illustrated on the map attached as Appendix "I", for some of the costs that the Developer will incur in constructing the sanitary sewer within the West Clayton Neighbourhood Concept Plan (NCP).

BACKGROUND

At its Regular Council meeting on July 27, 2015, Council considered Corporate Report No. R168;2015 and, by approving the recommendations of that report, approved the engineering servicing strategies for the West Clayton NCP.

The use of a Sewer DCC to fund construction of the sanitary sewer is consistent with the provisions of the *Local Government Act* regarding development cost recoveries. The use of a DCCFEA, as recommended in this report, is in keeping with City policy regarding the use of such an Agreement as a means of financing the construction of services that are contained in the City's 10-Year (2016-2025) Servicing Plan.

DISCUSSION

The Developer is proceeding with development on a site that is in the West Clayton NCP. The construction of the sanitary sewer is required to allow development to proceed on that site in the West Clayton NCP.

The benefiting area for the DCCFEA is illustrated in Appendix "I", which is attached to this report.

The DCCFEA, as proposed, will not significantly affect the reasonable implementation of the City's Sewer DCC program or the 10-Year (2016-2025) Servicing Plan.

The Developer will post securities for the construction of the sanitary sewer through a Servicing Agreement. The amounts to be collected from the benefiting lands under the DCCFEA will be finalized upon completion of construction of the works and on certified actual costs to a maximum of the upset limit included in the Recommendation section of this report.

FUNDING

The cost of the sanitary sewer construction will be front-ended by the Developer. The proposed DCCFEA has a term of 15 years, and will allow the Developer to recover some of the costs of constructing the works from a Sewer DCC that will be collected by the City from development on lands in the benefiting areas, as illustrated on the map attached to this report as Appendix "I". The DCCFEA will expire 15 years after the Completion Date, regardless of the amount of the recoveries that is achieved by the Developer at that time.

SUSTAINABILITY CONSIDERATIONS

The proposed works and funding strategies to which this report refers support the Economic and Environmental Pillars of the City's Sustainability Charter by minimizing initial capital and long term maintenance costs of infrastructure and by allowing for planned and orderly development in the City. In particular, the proposed works and funding strategies support the following City Sustainability Charter scope actions:

- EC3: Sustainable Infrastructure Maintenance and Replacement; and
- EN9: Sustainable Land Use Planning and Development Practices.

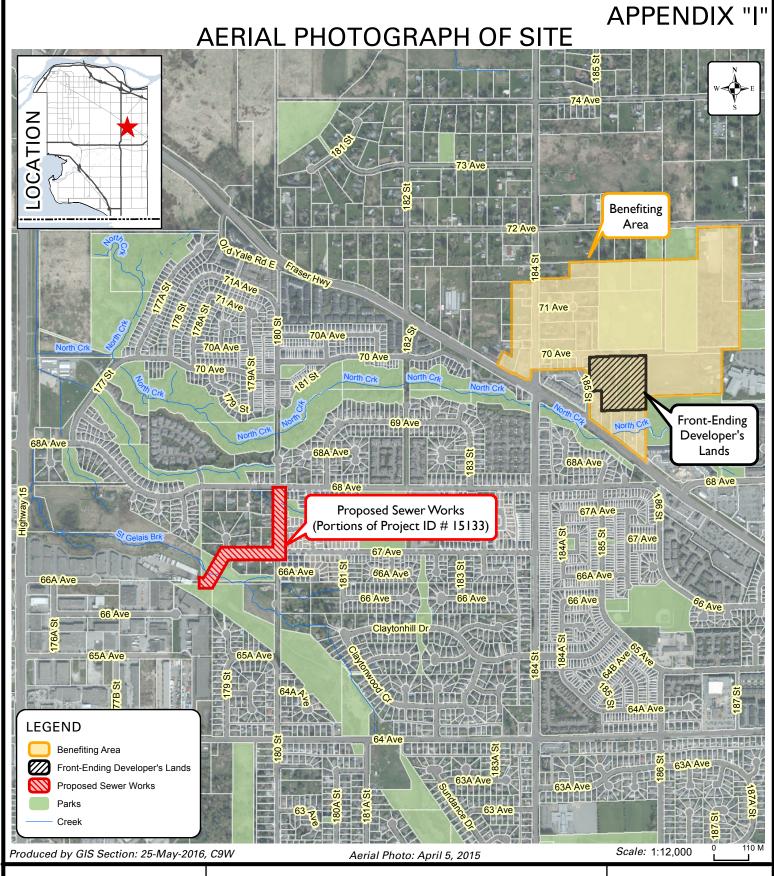
CONCLUSION

Based on the above discussion, it is recommended that Council authorize the execution of a Development Cost Charge Front-Ending Agreement to an upset limit of \$707,500.00 (including all applicable taxes), with Anthem Developments Ltd. (the Developer) in relation to the construction of the sanitary sewer for the West Clayton NCP all as generally described in this report and in Appendix "I" attached to this report.

Fraser Smith, P.Eng., MBA General Manager, Engineering

SSL/clr

Appendix "I" - Benefiting Area Map for the Proposed Sewer DCC Front-Ending Agreement





Benefiting Area Map for Proposed Sewer DCC Front-Ending Agreement

ENGINEERING DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.

This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.