



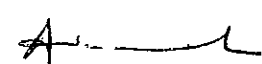

To: Finance Committee **Date:** February 25, 2008
From: Jerry Chong **File:** 03-1200-00/Vol 01
 Director, Finance
Re: **West Cambie Sanitary and Storm Sewer Works Reserve Funds Transfer**

Staff Recommendation

That the West Cambie Alexandra Neighbourhood Sanitary and Storm Sewer Works Reserve Fund Transfer Bylaw No. 8363 be introduced and given first, second and third readings.



Jerry Chong
 Director, Finance
 (604-276-4064)

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REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
					

Staff Report

Origin

On April 23, 2007, Council directed staff to develop a partnership agreement with Polygon Hennesy Green Developments Ltd. and Polygon Meridian Gate Homes Ltd. ("Polygon") for the design and construction of off-site works and services that are required to implement the West Cambie Alexandra Area Plan.

Analysis

On June 25, 2007, Council approved the Latecomer Agreement for West Cambie as the method of ensuring that Polygon would recover its front-end contribution. The Agreement establishes the latecomer charges to be paid by developers in the Alexandra area for the subject works. Latecomers will still be required to pay development cost charges (DCCs), at subdivision or Building Permit stage, whichever is appropriate.

The \$4,786,345 City contribution would be provided from part of the funds originally set aside for the purchase of the Garden City lands, which was funded by the Industrial Use Reserve. The City contribution would be repaid, plus interest, from latecomer charges in the Alexandra area. Staff will bring forward the necessary reserve and expenditure bylaws to effect the City contribution in the near future.

Legal counsel has recommended that a bylaw be adopted pursuant to sections 189 (2) and 189 (4.1) of the Community Charter, as attached to this report, and at the time the bylaw is ready for adoption, that Council also adopt a resolution describing the specific use of the funds for the costs of the Alexandra Neighbourhood Works further to the Latecomer Agreement with Polygon, in the form attached to this report.

Financial Impact

\$4,786,345 will be borrowed from the Industrial Use Reserve by the Drainage Utility Reserve which in turn will be utilized to fund the subject works. The City will be required to repay the Industrial Use Reserve an amount equivalent to the interest earned had it remained in the reserve.

Conclusion

Under the Community Charter, subsection 189 (2), a bylaw is required to transfer funds from one reserve to another


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West Cambie Alexandra Neighbourhood Sanitary and Storm Sewer Works Reserve Fund Transfer Bylaw No. 8363

WHEREAS:

The development of the Alexandra Neighbourhood Area (the "Area") requires off-site sanitary and storm sewer utility works (the "Works"), and the Works are estimated to cost \$10 million;

The City has established an excess and extended services regime by resolution passed on June 25th, 2007, pursuant to which scheme the City and an owner are each to pay fifty per cent of the cost of the Works and the City is to impose a charge on every owner connecting to or using the Works and to pay the developer fifty per cent of the charges collected to a maximum of \$5 million less the amount corresponding to the developer's proportional benefit from the Works;

Council has established by bylaw the Industrial Use Reserve Fund and the Drainage Utility Reserve Fund, and Council considers that the money in the Industrial Use Reserve Fund is not currently required for that purpose so Council wishes to use money in the Industrial Use Reserve Fund for the purposes of the Drainage Utility Reserve Fund subject to the proviso that the City will repay to the Industrial Use Reserve Fund, no later than the time when the money is needed for the purposes of that Reserve Fund, the amount used and an amount equivalent to the interest that would have been earned on the amount used had it remained in the Industrial Use Reserve Fund;

The Council of the City of Richmond enacts as follows:

1. The amount of \$4,786,345 from the Industrial Use Reserve Fund will be used for purposes of the Drainage Utility Reserve Fund, being the City's portion of the capital cost of the Works, the Works being assets of a capital nature.
2. The City will repay to the Industrial Use Reserve Fund, no later than the time when the money is needed for the purposes of that Reserve Fund,
 - (a) the amount used, and
 - (b) an amount equivalent to the interest that would have been earned on the amount used had it remained in the Industrial Use Reserve Fund,

and the City will repay the Industrial Use Reserve Fund from:

- (c) excess or extended services charges imposed and collected by Council Resolution dated June 25th, 2007;

- (d) Development Cost Charge Reserve Funds used to pay the capital cost of providing and construction sewage and drainage facilities that relate directly or indirectly to the development in respect of which the charge was collected and to pay interest incurred as a result of paying the capital costs of the sewage and drainage facilities; or
 - (e) a combination of the amounts referred to in paragraphs 2(c) and 2(d).
3. This Bylaw is cited as **“West Cambie Alexandra Neighbourhood Sanitary And Storm Sewer Works Reserve Fund Transfer Bylaw No. 8363 ”**.

FIRST READING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor
<i>MCS</i>

MAYOR

CORPORATE OFFICER

RESOLUTION

COUNCIL RESOLVES THAT:

1. The City will use the sum of \$4,785,345 from the Industrial Use Reserve Fund for the purposes of the Drainage Utility Reserve Fund, and in particular to pay the City's portion of the capital cost of the Alexandra Neighbourhood Area Off-Site Sanitary and Storm Sewer Utility Works further to the Excess and Extended Services Resolution passed by Council on June 25th, 2007 and the Excess and Extended Services Agreement entered into between the City and Polygon Hennessy Green Development Ltd. and Polygon Meridian Gate Homes Ltd. on June 25th, 2007, subject to the requirement that the City must repay to the Industrial Use Reserve Fund, no later than the time when the money is needed for the purposes of that Reserve Fund,
 - (a) the amount used, and
 - (b) an amount equivalent to the interest that would have been earned on the amount used had it remained in the Industrial Use Reserve Fund,and the City will repay the Industrial Use Reserve Fund from:
 - (c) excess or extended services charges imposed and collected by Council Resolution dated June 25th, 2007;
 - (d) Development Cost Charge Reserve Funds used to pay the capital cost of providing and construction sewage and drainage facilities that relate directly or indirectly to the development in respect of which the charge was collected and to pay interest incurred as a result of paying the capital costs of the sewage and drainage facilities; or
 - (e) a combination of the amounts referred to in paragraphs (c) and (d).