Item Manager's Report No. Council Meeting 03/01	02
Manager's Report No	01
Council Meeting 03/01	/13

TO:

CITY MANAGER

DATE: 2003 01 07

FROM:

DIRECTOR ENGINEERING

FILE:

SUBJECT:

DRAINAGE SYSTEM TO SERVE LANDS IN THE BIG BEND AREA

PURPOSE:

To seek Council's approval for interim financing of selected drainage works through 5600

Riverbend Drive.

RECOMMENDATION:

1. **THAT** the City interim finance upsizing of the proposed storm sewer through 5600 Riverbend Drive as outlined in this report at an estimated cost of \$376,000.

2. **THAT** these costs be recovered by the City from the developer of Phases 2 and 3 of the Glenwood Industrial Estates.

REPORT

1.0 BACKGROUND

In the Big Bend area, Anthem Industrial is developing a property south of Riverbend Drive, (5600 Riverbend Drive) between Wiggins Street and Meadow Avenue. CN Railways Properties is also undertaking a phased development on an adjacent property on the north side of Riverbend Drive (Glenwood Industrial Estates). The locations of these properties are shown on the <u>attached</u> sketch.

Following a drainage review of the area in 1998, the City determined that the most cost effective drainage solution for the area was to redirect the drainage from a portion of the Glenwood Industrial Estates properties, through 5600 Riverbend Drive to the Fraser River as shown on the <u>attached</u> sketch.

Drainage from the CN Railways Properties on the north side of Riverbend Drive currently discharges to the railway ditch and is conveyed to the Meadow Pump Station. Redirection of this drainage will reduce flows to the Meadow system which in turn should benefit upstream properties in the Willard Street small holdings area.

2.0 DISCUSSION

To achieve the drainage solution proposed by the City, Anthem Industrial will need to construct a larger storm sewer than is required to service their development. This larger sewer would be sized to accommodate future redirected drainage from the CN Railway Properties. Anthem Industrial is not obligated to provide these upsized works as these additional costs would normally be the responsibility of the benefiting property. To facilitate a solution to this area drainage issue, Anthem Industrial has agreed to construct the upsized storm sewer provided they are reimbursed for the costs over and above what they would have spent to completed the drainage works to satisfy their development requirements. As such, it is proposed that the City interim finance these additional works and recover the funds from CN Railways Properties when they further develop Glenwood Industrial Estates. Redirection and upsizing of the storm drainage would be required in conjunction with development of Phases 2 and 3 of Glenwood Industrial Estates. As CN Railways Properties is the benefiter of the upsized storm sewer, CN has agreed to pay for the additional costs to upsize the storm sewer, and would spread this cost over Phases 2 and 3 of the development of their property. This cost has been determined to be \$376,000.

CN Railway Properties is presently completing Phase 1 of their Glenwood Industrial Estates development, and do not require the additional drainage capacity until their next phases of development, which are anticipated to be completed over the next 1 to 5 years.

CN Railways Properties has agreed to put a Restrictive Covenant on their remaining Glenwood Industrial Estates properties which will obligate the property owner to pay 50% of the drainage upsizing costs prior to approval of any rezoning, subdivision or building permit application on the second phase of development, and the remaining 50% before any approval of the third phase of development. The repayment of these amounts will be subject to an annual interest rate of 4.5%.

Subject to Council's approval of this approach, the Anthem Industrial development will complete the design and construction of the upsized storm sewer and outfall to the Fraser River, in early 2003. The City will reimburse Anthem Industrial for the additional work and collect the expended funds, and interest cost, from CN Railways Properties (or subsequent purchaser) as they develop the second and third phases of their property.

This approach will allow the drainage system to be built in the most cost effective way and will ensure that the City can recover expended costs plus interest.

Sufficient Capital Reserves are available to finance these works and, subject to Council approval, Capital funding provision would be included in the 2003-2007 Annual Financial Plan.

Engi	neering Depar	tment			
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3.0 CONCLUSION

Anthem Industrial has agreed to design and construct an upsized storm sewer to accommodate a revised upstream drainage catchment in the Big Bend area provided they are reimbursed for the additional costs. It is proposed that the City interim finance the additional costs of design and construction in an amount of \$376,000, and recover the funds, with interest, from CN Railways Properties. CN Railways Properties has agreed to pay the City, with interest, for the upsizing costs of the storm sewer when the second and third phases of their Glenwood Industrial Estates property develop. This agreement is to be secured through registration of a Section 219 covenant on CN Railways property.

W.C. Sinclair, P. Eng.

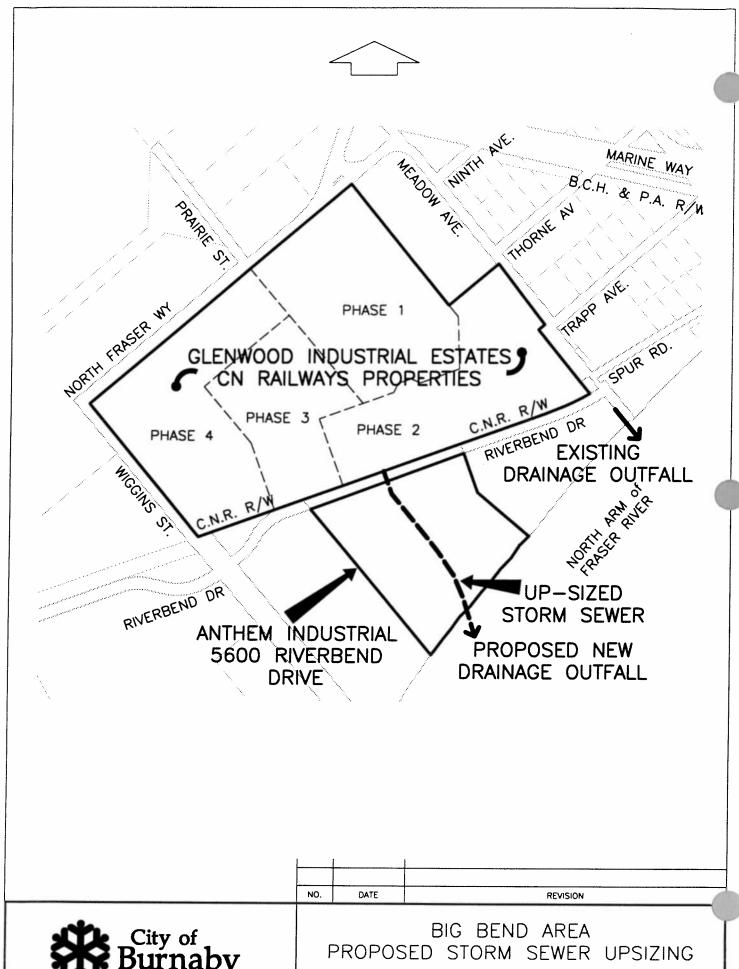
DIRECTOR ENGINEERING

LJB:dh Attachments

cc: Director Finance

Director Planning & Building

City Solicitor





DRAWN BY: **HLOUIE** SCALE: N.T.S. 584 APPRV'D BY: 2002-12 CDL DATE: