
City of Kelowna

MEMORANDUM

DATE: February 28, 2001
FILE: 2250-70
TO: City Manager
FROM: Deputy Director of Finance
RE: **LATECOMER CHARGES – SOUTH MISSION WATER SYSTEM**

RECOMMENDATION:

THAT Council require the owner of:

- Lot 1, Sec. 23, Twp. 28, S.D.Y.D., Plan 22290, Except Plans 24513, 25767 and 32591;
- Lot 168, Sec. 24, Twp. 28, S.D.Y.D., Plan 32591;
- Lot A, Sec. 23, Twp. 28, S.D.Y.D., Plan 29585, Except Plan 32591;
- Lot A, Secs. 23 and 24, Twp. 28, S.D.Y.D., Plan 23380, Except Plan 32591;
- Lot 1, Secs. 23 and 24, Twp. 28, S.D.Y.D., Plan 41091;
- Part of the NE ¼, Twp. 28, S.D.Y.D.

which is to be, or has been, subdivided or developed, to provide the excess or extended services shown on Schedule "A", attached to this report;

AND THAT Council consider the cost to provide the extended services shown on Schedule "B", in whole or in part, to be excessive;

AND THAT the cost of providing these services shall be paid for by the owner of the land being subdivided or developed;

AND THAT Latecomer charges be imposed for extended services, as described on Schedule "A", which were required to be installed as part of the referenced Development Project;

AND FURTHER THAT Latecomer charges be imposed on the benefiting lands within the shaded boundaries as detailed on Schedules "C-1" through "C-2", attached to this report.

BACKGROUND:

By Council resolution passed on December 18, 1995, Mission Hill Management Inc. (now Kettle Valley Development Limited Partnership) was required to construct a new water system in the South Mission that would meet supply requirements for their proposed comprehensive development. The water system was also to provide sufficient

capacity for existing Okaview residents and partial capacity for future development in neighbourhoods 2 and 3 in the South Mission.

As noted in the water DCC report of February 28, 2001, construction of the permanent pumphouse has been delayed pending a Council decision regarding water treatment. All components required for the water system, except the permanent pumphouse, are detailed on Schedule "A" and have been included in the latecomer agreement as presented. Construction costs for the components of the latecomer have been summarized in Schedule "B".

Kettle Valley and other South Mission developers agreed to contribute towards the construction of a temporary pumphouse with a capacity of 600 units in order to avoid unduly delaying area development. Kettle Valley also bonded for, what was then considered to be the full value of the permanent pumphouse. As a part of the latecomer process, developers that contributed towards the temporary pumphouse will receive credits upon connection to the water system for this component.

The benefitting properties are shown on maps illustrated on Schedules "C-1" and "C-2". Each refers to an identified component and capacity. Schedule "D" provides information defining the equivalent dwelling unit calculation.

Because there have been a number of complexities involved in the finalization of the latecomer agreement, the cost sharing for the permanent pumphouse has necessitated considerable legal and developer consultation. The City had originally been provided with a legal opinion that a latecomer agreement could be completed with the inclusion of the permanent pumphouse, although it has not yet been constructed. This would have required the City to collect and withhold latecomer payments on this component in order to reduce Kettle Valley's bonding for the pumphouse.

A subsequent legal opinion confirmed that unconstructed components could not be included in the latecomer agreement. A consultative process with developers followed to seek an acceptable method of ensuring the permanent pumphouse could be completed prior to reaching the 600 units of capacity available in the temporary pumphouse. As noted in the report entitled "South Mission Water Development Cost Charge Revision", DCC's are being utilized as the means to recover these future costs.

Each of the components of the water system included in the latecomer agreement have different capacities resulting in the need for individual charges by component. The latecomer will expire based on the earlier of reaching the component capacity or 10 years from the completion date, which was April 16, 1998.

P. Macklem

Attachments

cc: Director of Finance & Corporate Services
Water Manager
Development Engineering Manager