
CITY OF KELOWNA

MEMORANDUM

Date: May 12, 2009
File No.: 5340-07
To: City Manager
From: General Manager Community Services
Subject: Sanitary Sewer Oversize Payment - Troika Development

RECOMMENDATION:

THAT Council authorize the payment of \$ 98,081.85 including GST to Troika Developments Inc. for the oversize component of the sanitary sewer pipe installed as part of the Yaletown development.

AND THAT funding be approved from the Sanitary Sewer Offsite and Oversize Reserve.

AND FURTHER THAT the 2009 Financial Plan be amended to accommodate this payment.

BACKGROUND:

In 2006 the Yaletown development at 1475-1483 Glenmore Road was approved by Council. The developer, Troika Developments Inc., was required to extend sanitary sewer from approximately the intersection of Scenic Rd. and Glenmore to its development, a distance of 1.2 kilometers. It was recognized there was tremendous benefits to both the City and to the Kinnikinnik development if the pipe was sized and put into its ultimate desired location rather than a smaller temporary pipe that would be replaced as soon as the Kinnikinnik development proceeded. Following discussions with both developers it was agreed to proceed on that basis. To place the pipe in its ultimate location Kinnikinnik agreed to purchase additional lands along this section of Glenmore Road that will be required as part of the ultimate 4 laning of Glenmore Rd which their future development is expected to trigger.

Recognizing that the life of the pipe would be some 75 years, City staff also agreed to oversize the pipe to accommodate development of the Future Urban Reserve Lands as identified in the OCP. This avoids the risk of having to dig up what will be a busy 4 lane arterial at a future date to enlarge it. The City participates in oversizings as a standard practice and budgets annually to participate in them. In this case, the amount involved exceeds the annual \$60,000 Sanitary Sewer Offsite and Oversizing budget and therefore funds are recommended to be taken from reserves to leave the Utility in a position to participate if other opportunities arise in 2009.

Payment of the oversizing has been delayed for over a year due to a dispute between Kinnikinnik and Troika over the cost sharing of the pipe installation for Kinnikinnik's share. Troika had indicated they would look to the City for compensation of both the City's and Kinnikinnik's oversizing since they installed the oversized pipe at the City's requests without a formal agreement with Kinnikinnik. The



City has worked with both parties over the past number of months and they have advised the undersigned that they now reached an agreement.

On that basis we would recommend Council authorize the oversize payment to Troika.

INTERNAL CIRCULATION TO:
Director, Design and Construction
Director, Financial Services
Development Engineering Manager

FINANCIAL/BUDGETARY CONSIDERATIONS: Sufficient funds are available in the Sanitary Offsite and Oversize Account.

Considerations that were not applicable to this report:

LEGAL/STATUTORY AUTHORITY:
LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:
EXISTING POLICY:
PERSONNEL IMPLICATIONS:
TECHNICAL REQUIREMENTS:
EXTERNAL AGENCY/PUBLIC COMMENTS:
COMMUNICATIONS CONSIDERATIONS:
ALTERNATE RECOMMENDATION:

Submitted by:



John Vos, P. Eng.
General Manager, Community Services

