

Memo



Date: January 11, 2011
File: 2250-70-90
To: City Manager
From: Steve Muenz, Development Engineering Manager
Subject: Latecomer Charges - Pier Mac Petroleum

Recommendation:

THAT Council requires the owner of **Lot 1 KAP 34113 Sec 11, Twp 23 ODYD**, which is to be subdivided or developed, to provide the excess or extended services shown in Schedule D of the Latecomer Agreement No. 2250-70-90 attached to the report of the Development Engineering Branch Manager/Community Services, dated January 11, 2011.

AND THAT Council consider the cost to provide the excess or extended services shown in Schedule D of the Latecomer Agreement No. 2250-70-90 in whole or in part, to be excessive:

AND THAT the Latecomer charges be imposed for excess or extended services, as shown in Schedule D of Latecomer Agreement No. 2250-70-90, which are required to be installed as part of the referenced Development Project;

AND THAT Latecomer charges be imposed on the benefiting lands listed in Schedule D of Latecomer Agreement No. 2250-70-90

AND THAT the City enter into Latecomer Agreement No. 2250-70-90 with the owner to be effective upon Substantial Performance of the Excess or Extended Services, and the Mayor and City Clerk be authorized to execute and affix the corporate seal to this Latecomer Agreement;

AND FURTHER THAT the owners of the benefiting lands be advised in writing of the Latecomer charge to be imposed on their land.

BACKGROUND:

Pursuant to the Local Government Act, where an owner of land that is to be subdivided or developed is required to provide excess or extended services by Council, and where Council considers its cost to be provided these services are excessive: then Council can require the services to be paid for by the owner.

However, where the owner is required to pay for these costs, Council is required to:

- (a) determine the proportion of the cost of providing the highway or water, sewerage or drainage facilities that it considers constitutes the excess or extended service:

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- (b) determine which part of the excess or extended service that it considers will benefit each of the parcels of land that will be serviced by the excess or extended service: and
- (c) impose as a condition of an owner connecting to or using the excess or extended service, a charge related to the benefit determined under paragraph (b).

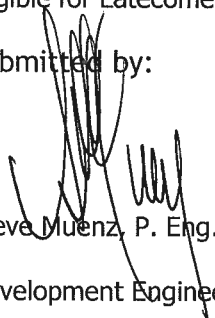
The purpose of this report is to establish these latecomer charges which will be collected from latecomers who connect to or use the designated services for a period fixed by the Latecomer Agreement which shall be no greater than 10 years commencing from the date of **Substantial Performance August 10, 2010** as determined by the City Engineer.

In this particular development, the services which are the subject of a Latecomer charge are identified in Schedule D of the Latecomer Agreement.

All of the benefiting parcels have been identified as Schedule D of the Latecomer Agreement and the total Latecomer charge for each parcel is shown along with a breakdown by individual utility.

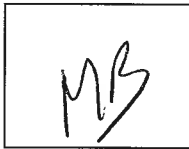
Where Development Cost Charge works are proposed to be constructed, a rebate will be made to the owner according to current Development Cost Charge rebate policy. Development Cost Charge works, are not eligible for Latecomer Charges.

Submitted by:



Steve Muenz, P. Eng.
Development Engineer Manager

Approved for inclusion:



Mo Bayat
Director of Development Services

- Considerations not applicable to this report:
- Internal Circulation:
- Legal/Statutory Authority:
- Legal/Statutory Procedural Requirements:
- Existing Policy:
- Financial/Budgetary Considerations:
- Personnel Implications:
- External Agency/Public Comments:
- Community & Media Relations Comments:
- Alternate Recommendation

LATECOMER AGREEMENT NUMBER 2250-70-90

THIS AGREEMENT dated for reference the 8th day of November 2010

BETWEEN:

CITY OF KELOWNA
1435 Water Street
Kelowna BC V1Y 1J4

("the City")

AND:

Pier Mac Petroleum Installation
P.O. Box 2460
Kelowna BC, V1X 6A5

(the "Owner")

WHEREAS:

- A. The Owner has applied to the City to develop the Owner's Lands herein defined on Appendix A and is in accordance with the City's Subdivision and Development Bylaw providing water, sewage, drainage or Highway facilities, or a combination of such facilities, that will serve the Owner's Lands;
- B. A portion of the water, sewage, drainage, or Highway facilities (herein defined as "Excess or Extended Services") will serve the Benefiting Lands herein defined on Appendix B, which Benefiting Lands do not include the Owner's Lands;
- C. The City considers that its costs to provide the Excess or Extended Services in whole or in part are excessive, and requires the Owner of the Owner's Lands, and the owners of any other lands that, in the opinion of the City, will benefit from the Excess or Extended Services, to pay the cost of the Excess or Extended Services;
- D. The City is authorized to enter into this Agreement under Section 939 of the Municipal Act;
- E. The Council of the City has by way of Bylaw No. 6519, as amended or replaced from time to time, set the rate of interest referred to under Section 939(8) of the Municipal Act and in paragraph 3 of this agreement;

THIS AGREEMENT IS EVIDENCE THAT in consideration of the \$1,000.00 (HST exempt) the mutual covenants and agreements made by each of the parties to the other as set out in this agreement, and for other valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the City and the Owner covenant and agree as follows:

Interpretation

1. In this agreement

- (a) "Benefiting Lands" means the lands other than the Owner's Lands that:
 - (i) in the opinion of the City, will be served by the Excess or Extended Services, which Benefiting Lands are, subject to paragraph 1(a)(ii), legally described on Appendix B;
 - (ii) may be connected to the Excess or Extended Services after completion of those Excess or Extended Services;
- (b) "Excess or Extended Services" means any combination, as shown in Appendix D, of a portion of a:
 - (i) Highway system required to be constructed and installed by the owner that will provide access to land other than the land being subdivided or developed, or
 - (ii) Water, sewage, or drainage system constructed and installed by the owner that will service land other than the land being subdivided or developed;
- (c) "Latecomer" means an Owner of Benefiting Lands;
- (d) "Owner's Lands" means those certain lands equally described in Appendix A and owned by the Owner in respect of which the Owner is constructing works and services, a portion of which systems constitutes the Excess or Extended Services that will serve the Benefiting Lands;
- (e) "Owner" in respect of real property means the registered owner of an estate in fee simple, and includes:
 - (i) the tenant for life under a registered life estate,
 - (ii) the registered holder of the last registered agreement for sale,
 - (iii) the holder or occupier of land held in the manner mentioned in Sections 356 and 357 of the Municipal Act,
- (f) Substantial Performance is the stage of completion of all the Works and Services when:
 - (i) the Works and Services are ready to be used for their intended purpose, as certified by the Consulting Engineer; and
 - (ii) the total of the incomplete, defective and deficient Works and Services can be completed at a cost as estimated by the Consulting Engineer;

and verified by the City Engineer, of no more than 3% of the total cost of the Works and Services.

Payment of Latecomer Charges During Term

2. The City shall pay to the Owner charges imposed by the City under Section 939(5)(c) of the Municipal Act based upon the formula described on Appendix C, only if and to the extent the charges are paid by the Latecomers and collected by the City during the period commencing on the date of Substantial Performance and ending on the earlier of:
 - (i) the date on which the Owner's costs in connection with the Excess or Extended Services, determined in accordance with Section 11.1 of the Subdivision and Development Servicing Bylaw 7900, have been paid to the Owner; or
 - (ii) August 10, 2019 Ten Years from the date of Substantial Performance.

Interest

3. There shall be included in the charge payable to the Latecomer under Section 939(5)(c) interest calculated annually at a rate prescribed by a Bylaw of the City, payable for the period commencing on Substantial Performance, up to the date that the connection is made or the use commences, and if paid by the Latecomer and collected by the City during the period referred to in paragraph 2, the interest shall be paid to the Owner.

Assignment or Transfer of Owner's Rights

4. This Agreement may not be assigned by the Owner without the prior written consent of the City. In the event of a dispute as to the beneficiary of this Agreement, the City may, at its option, commence an action in interpleader joining any party claiming rights under this agreement, or other parties which the City believes to be necessary or proper, and the City shall be discharged from further liability on paying the person or persons whom the court having jurisdiction over such interpleader action shall determine, and in such action the City shall be entitled to recover its reasonable legal fees and costs, which fees and costs shall constitute a lien upon all funds accrued and accruing pursuant to this Agreement.

Indemnity

5. The Owner covenants not to sue the City, its administrators, successors, assigns, directors, officers, agents, employees, servants, tenants, solicitors, consultants, and anyone else whom the City is in law liable, by reason of or arising out of or in any way connected with any error, omission, or conduct of the City in relation to the Excess or Extended Services, including, without the generality of the foregoing, a failure of the City to pass a resolution, enact a bylaw, enter into an agreement, impose a charge, calculate a charge correctly, or collect a charge under Section 939 of the Municipal Act.

Termination

6. Upon the expiration of the Term, the City shall be forever released and wholly discharged from any and all liability and obligations hereunder this agreement, or howsoever arising pertaining to the Latecomer Charges, and whether arising before or after the expiry of this Agreement.
7. Paragraphs 5 to 16 shall survive the termination of this Agreement.

Owner Representation and Warranty

8. The Owner represents and warrants to the City that the Owner has not received, claimed, demanded or collected money or any other consideration from the Latecomers for the provision, or expectation of the provision of the Excess or Extended Services, other than as contemplated and as provided for under this Agreement; and further represents and warrants that the Owner has not entered into any agreement the Latecomers for consideration in any way related to or connected directly or indirectly with the provision of the Excess or Extended Services.

Miscellaneous

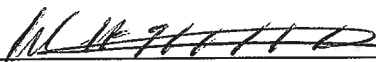
9. Time is of the essence.
10. Any notice required by this Agreement will be sufficiently given if delivered by mail to the parties at the addresses first above written.

11. This Agreement will enure to the benefit of and be binding on the parties hereto and their respective successors and assigns.
12. This Agreement shall be governed by the laws of the Province of British Columbia.
13. This Agreement constitutes the entire agreement between the City and the Owner with regard to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written of the City with the Owner.
14. No amendment or waiver of any portion of this agreement shall be valid unless in writing and executed by the parties of this agreement. Waiver of any default by a party shall not be deemed to be a waiver of any subsequent default by that party.
15. A reference, in this Agreement to the City or the Owner includes their permitted assigns, heirs, successors, officers, employees, and agents.
16. The Owner represents and warrants to the City that:
 - (a) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - (b) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
 - (c) neither the execution and delivery, nor the performance, of this agreement shall breach any other agreement or obligation, or cause the Owner to be in default of any other agreement or obligation, respecting the Owner's Lands; and
 - (d) the Owner has the corporate capacity and authority to enter into and perform this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the year and date first above written.

0726570 BC LTD
by its authorized signatories:

CITY OF KELOWNA
by its authorized signatories:



 Authorized Signatory (Print name and position of person signing)
 Douglas MacNaughton
 Pres.

 Authorized Signatory (Print Name) Mayor

 Authorized Signatory (Print name and position of person signing)



 Authorized Signatory (Print Name) City Clerk

Appendix A to Latecomer Agreement 2250-70-90

<u>Legal Description of Owner's Land</u>	<u>Roll No.</u>	<u>KID No.</u>
1. Lot 1, Section 11, Township 23, ODYD, Plan KAP34113	3457.025	660869

Appendix B to Latecomer Agreement 2250-70-90

<u>Legal Description of Benefiting Lands</u>	<u>Roll No.</u>	<u>KID No.</u>
1. Lot 2, Section 11, Township 23, ODYD KAP34113	3457.030	328738

Note that Lot 2, KAP34113 is the only property benefiting under the term of this Latecomer, the frontender has received full compensation from Lot A, KAP81399 and Lot A, KAP87188.

Appendix C to Latecomer Agreement 2250-70-90

The charges imposed by the City for the purposes of paragraph 2 will, in respect of the particular **Parcel** of the **Benefiting Lands**, be based on one of the following formula. The selection of appropriate formula will be at the sole discretion of the City.

$$\frac{\text{Total construction cost} + 10\% \text{ Engineering fee}}{(\text{Benefiting Lands contributing area EDU}) + (\text{Owner's land contributing Area EDU})} = \text{cost per EDU}$$

Sanitary sewer

$$\frac{\$2,000.00 + \$200.00}{(72.55) + (60.56)} = \frac{\$2,200.00}{133.11} = \$16.53$$

Storm drainage

$$\frac{\$81,517.00 + \$8,151.70}{(760.68 + 4.05) + (6.16 + 1.93)} = \frac{\$89,668.70}{772.82} = \$116.03$$

Water

$$\frac{\$29,555.94.00 + \$2,955.59}{(72.55) + (124.68)} = \frac{\$32,511.53}{197.23} = \$164.84$$

Roads and Utilities

$$\frac{\$601,716.85 + \$60,171.69}{(15.60 + 4.95) + (7.62 + 2.31)} = \frac{\$661,888.54}{30.48} = \$21,715.50$$

Appendix D to Latecomer Agreement 2250-70-90
DISTRIBUTION OF LATECOMER CHARGES PER PARCEL

Developer's Name: **Pier Mac Petroleum Installation**

Project Number: **Z09-0030**

Legal Description of benefiting parcel	Latecomer charges					Total
	Tax Roll No.	Sanitary Sewer	Storm Sewer	Water	Roads & Services	
Lot 2, KAP34113	3457.030	\$0.00	\$469.92	\$0.00	\$107,491.73	\$107,961.65
					TOTAL	\$107,961.65

Appendix E to Latecomer Agreement 2250-70-90

Developer's Name: **Pier Mac Petroleum Installation**

Project Number: **Z09-0030**

Service: **Sanitary Sewer**

Reference Plan Sheet: **Exhibit # 6**

Legal Description of Benefiting Parcel	Tax Roll No.	KID#	Area in Ha.	EDU's per Ha.	EDUs per Parcel
Lot 1, KAP34113	3457.025	660869	3.56	17	60.56
Lot A, KAP81399	3457.026	660857	0.00	17	0.00
Lot A, KAP87188	3458.120	705587	2.59	28	72.55
Lot 2, KAP34113	3457.030	328738	0.00	17	0.00
Total EDU					133.11

Appendix E to Latecomer Agreement 2250-70-90

Developer's Name: **Pier Mac Petroleum Installation**

Project Number: **Z09-0030**

Service: **Storm Drainage**

Reference Plan Sheet: **Exhibit # 6**

Legal Description of Benefiting Parcel	Tax Roll No.	KID#	Area in Ha.	EDU's per Ha.	EDUs per Parcel
Lot 1, KAP34113	3457.025	660869	0.23	27	6.16
Lot A, KAP81399	3457.026	660857	0.07	27	1.93
Lot A, KAP87188	3458.120	705587	36.22	21	760.68
Lot 2, KAP34113	3457.030	328738	0.15	27	4.05
Total EDU					772.82

Appendix E to Latecomer Agreement 2250-70-90

Developer's Name: **Pier Mac Petroleum Installation**

Project Number: **Z09-0030**

Service: **Water**

Reference Plan Sheet: **Exhibit # 6**

Legal Description of Benefiting Parcel	Tax Roll No.	KID#	Area in Ha.	EDU's per Ha.	EDUs per Parcel
Lot 1, KAP34113	3457.025	660869	3.56	35	124.68
Lot A, KAP81399	3457.026	660857	0.00	35	0.00
Lot A, KAP87188	3458.120	705587	2.59	28	72.55
Lot 2, KAP34113	3457.030	328738	0.00	35	0.00
Total EDU					197.23

Appendix E to Latecomer Agreement 2250-70-90

Developer's Name: **Pier Mac Petroleum Installation**

Project Number: **Z09-0030**

Service: **Road and Services**

Reference Plan Sheet: **Exhibit # 6**

Legal Description of Benefiting Parcel	Tax Roll No.	KID#	Area in Ha.	EDU's per Ha.	EDUs per Parcel
Lot 1, KAP34113	3457.025	660869	0.23	33	7.62
Lot A, KAP81399	3457.026	660857	0.07	33	2.31
Lot A, KAP87188	3458.120	705587	0.65	24	15.60
Lot 2, KAP34113	3457.030	328738	0.15	33	4.95
Total EDU					30.48

**Appendix E to Latecomer Agreement 2250-70-90
Distribution of Latecomer charges by services**

Developer's Name: **Pier Mac Petroleum Installation Ltd**

Project Number: **Z09-0030**

Sanitary Sewer

Property	EDU per parcel	Cost per EDU	Cost per property
Lot 1, KAP34113	60.56	\$16.53	\$1,000.92
Lot A, KAP81399	0	\$16.53	\$0.00
Lot A, KAP87188	72.55	\$16.53	\$1,199.08
Lot 2, KAP34113	0	\$16.53	\$0.00
Total Cost			\$2,200.00

Storm Drainage

Property	EDU per parcel	Cost per EDU	Cost per property
Lot 1, KAP34113	6.16	\$116.03	\$714.73
Lot A, KAP81399	1.93	\$116.03	\$223.93
Lot A, KAP87188	760.68	\$116.03	\$88,260.12
Lot 2, KAP34113	4.05	\$116.03	\$469.91
Total Cost			\$89,668.70

Water

Property	EDU per parcel	Cost per EDU	Cost per property
Lot 1, KAP34113	124.68	\$164.84	\$20,552.34
Lot A, KAP81399	0	\$164.84	\$0.00
Lot A, KAP87188	72.55	\$164.84	\$11,959.19
Lot 2, KAP34113	0	\$164.84	\$0.00
Total Cost			\$32,511.53

Road and Services

Property	EDU per parcel	Cost per EDU	Cost per property
Lot 1, KAP34113	7.62	21,715.50	\$165,472.13
Lot A, KAP81399	2.31	21,715.50	\$50,162.81
Lot A, KAP87188	15.6	21,715.50	\$338,761.85
Lot 2, KAP34113	4.95	21,715.50	\$107,491.74
Total Cost			\$661,888.54

**Appendix E to Latecomer Agreement 2250-70-90
Reference Plan**

Developer's Name: **Pier Mac Petroleum Installation Ltd**

Project Number: **Z09-0030**

