Off-Site Servicing

What are ARAs and PACs?

The Arterial Roadway Assessment (ARA) program provides for the allocation and sharing of cost for arterial roadways. Similarly, the Permanent Area Contribution (PAC) program provides for the allocation of and sharing of costs for drainage infrastructure. The PAC and ARA programs are not sources of funding, but they provide a mechanism by which the City ensures that every landowner benefiting from drainage infrastructure and arterial roads, within predefined drainage basins and catchment areas, contribute their proportionate share of the costs.

Arterial roadways are the largest and busiest roads in any given neighbourhood or area; they connect smaller roads in an area to the overall Edmonton road network.

Drainage infrastructure in this context (PAC program) refers to trunk size sewers that convey stormwater and wastewater, and includes pumping stations and stormwater management facilities. Sanitary trunk sewers are those that are 375 mm in diameter and larger, whereas storm trunk sewers are those that are 1200 mm in diameter and larger.

ARAs and PACs are parts of a well-established line of business within the City that facilitates orderly land development in Edmonton. Greenfield developers have continued confidence to invest in Edmonton because the City is trusted to administer these programs that fairly and predictably apportion infrastructure costs between benefitting property owners.

How do ARAs and PACs work?

When a developer builds infrastructure that is required to service their own project, but that infrastructure ends up also benefiting other property owners (such as an oversized sewer or construction of an arterial road), the City uses the ARA and PAC systems to ensure that every property that benefits from the infrastructure contributes their proportionate share of the costs at the time they subdivide or develop. A further explanation of the mechanics of the ARA and PAC systems is found in the “Over-Expenditures” section below.

ARAs and PACs are collected under provisions of a Servicing Agreement, which also identifies any over-expenditure recoveries to which that developer is entitled.

Over-Expenditures

PAC and ARA over-expenditures are costs incurred or paid over and above a developer’s proportionate share, which are then incrementally recovered from subsequent developments occurring in the same drainage basins and/or arterial roadway catchment areas.

Over-expenditures are initially created when a developer is required to construct an arterial roadway or drainage infrastructure that benefits a larger area and costs more than that developer's proportionate share. The over-expenditure is the cost incurred minus the developer's proportionate share, which then becomes recoverable from others who benefit from the infrastructure. Subsequent developers pay not only their own proportionate share, but also pay back portions of over-expenditures being carried by previous developers. This helps spread the carrying costs amongst those who benefit until everyone ultimately recovers all of their over-expenditures. The end net result is that every developer or land owner will have contributed their proportionate share of the costs based on the area of land that they developed.

Roads

Development of the entire site would trigger the need to upgrade roads on three sides of the site, being 34 Street on the west side, 167 Avenue on the north side, and 26 Street on the east side.

If only the western portion of the site is developed initially, then only upgrades to 34 Street will be required from the existing terminus (at approximately 160 Ave) to the proposed site access near 167 Avenue.

Administration is open to reviewing alternative cross-sections in order to provide flexibility in the design of the road that is appropriate for the specific context of this development.

The A 1 Athletic Facility is not required to build any arterial roads, but will be required to contribute a proportionate amount to arterial roads that have been or will be built by others in the area through the ARA program.

Based on the potential development of 8.5 hectares of the western portion of the site, the net ARAs have been estimated to be $1.46 million plus any applicable over-expenditures which could be in excess of $250,000.

If the developer applies for a Development Permit before applying for subdivision, then Arterial Roadway Assessments (ARAs) will be applicable only to the portion of the site that is being developed, but if the developer applies for subdivision, ARAs will be applicable on the whole parcel (19.86 ha).

Sanitary and Storm Drainage

The developer submitted a revised Neighbourhood Design Report (NDR, which is a drainage concept planning study) as a supporting document in the land development applications to rezone and amend the plan in effect for this site.

In the approved Neighbourhood Design Report, the 19.86 hectare site is its own storm drainage basin with its own PAC rate, although the site also benefits from other downstream storm drainage infrastructure. The developer's consultant has proposed, and the City has accepted, a less expensive interim storm drainage arrangement that will be integrated into the ultimate storm drainage concept.

Even with the implementation of an interim storm drainage system, PACs will need to be paid based on the permanent sanitary and storm drainage systems from which this development will ultimately benefit. Assuming a development area of 8.5 hectares, applicable drainage infrastructure costs include a sanitary PAC contribution of $279,000, plus $420,000 over-expenditures, a storm PAC contribution of $2.46 million, and Sanitary Sewer Trunk Charge (SSTC) of $74,000.

Water

Water main looping is required along 34 Street, 167 Avenue and 26 Street. If the developer front ends and constructs the water main under provisions of a Servicing Agreement, and if the required water main is 450 mm in diameter or larger, it would be considered a water transmission main and would ultimately qualify for 100% recovery of the costs from EPCOR Water Services Inc. (EPCOR). If it is 300 mm in diameter or larger, but less than 450 mm, it would be considered a water distribution main and would qualify for a partial recovery of the costs from EPCOR.