

are currently at Second Reading and to bring forward these changes as modified by-laws early in 2004, in accordance with the required statutory requirements;

7. Instruct staff to review the Surrey Sign By-law, 1999, No. 13656 to determine whether amendments are required to incorporate restrictions on the height of signs in South Westminster, in accordance with the provisions of the South Westminster NCP;
8. Instruct staff to establish a Project Team consisting of staff from the City and the Fraser Port Authority, to begin a review of the waterfront area, shown as a "Special Study Area" in the South Westminster NCP; and
9. Instruct Planning and Development, Engineering and Parks, Recreation and Culture staff to confirm the costs of the special paving, street furniture, pedestrian-oriented street lamps and plantings, as identified in the urban design concept and to develop a funding and implementation strategy for these works.

INTENT

The intent of this report is to provide background information to and obtain Council approval of:

1. The complete and final NCP for South Westminster, including a land use plan and urban design concept;
2. The funding mechanisms for amenities proposed for the South Westminster NCP area and the associated Zoning By-law amendments; and
3. A process for OCP and Zoning By-law amendments needed to implement the South Westminster NCP, including minor changes to the Zoning By-law amendments that are in process, to promote higher quality industrial development in South Westminster.

BACKGROUND

South Westminster is situated in the northwest quadrant of Surrey, immediately south of the King George Highway entrance to Surrey. The area is emerging as a prominent gateway, due to transportation improvements in the area such as SkyTrain, park and ride facilities at Scott Road and the South Fraser Perimeter Road. Given its prominent location, its good accessibility and its role as a gateway, there is a strong desire to improve the image of South Westminster from that of a salvage industrial area, to an area with high quality development, more compatible with its surrounding neighbourhoods.

On March 10, 2003, City Council approved, in principle, a Land Use Plan for the South Westminster area and adopted the engineering servicing and financial strategies as presented in the South Westminster Master Servicing Plan (see Corporate Report No. C005, attached as Appendix III) as a means of managing the provision of engineering services for this neighbourhood. Council's approval of the Master Servicing Plan was subject to:

1. Full payment of sanitary sewer, arterial and collector road Development Cost Charges ("DCC"s) at the time of the Servicing Agreement; and
2. Consideration of the use of a specified area levy to assist in funding arterial and collector roads subject to:
 - Refining the issue surrounding the four lane roads;
 - Receiving public input regarding the financing;
 - Contacting TransLink with respect to the roads, in particular, the proposed four lane roads, as to whether the project would qualify for Major Road Network funding; and
 - Reviewing comparisons of the proposed levy with the Port Kells and Campbell Heights area levies.

On November 24, 2003 Council considered a report from the General Manager of Engineering as a follow-up to the above-referenced report (see Corporate Report No. R242, attached as Appendix IV). Council approved a "no levy" option and approved a strategy that involves the deferral of some arterial road construction in South Westminster beyond 10 years. The remaining arterial road deficit will be funded from City-wide DCCs and major collectors will be constructed by fronting developers in conjunction with the development of the adjacent sites.

With respect to land use planning issues, Council instructed staff to conduct a Public Open House to present and obtain input on the final plan and development strategies. Staff was also directed to review By-law Nos. 14527 and 14528 (respecting modified industrial zones) and to bring forward recommendations regarding the further processing of these by-laws in conjunction with the final and complete South Westminster NCP.

On April 16, 2003 City staff hosted an Open House, attended by approximately 90 people, to present and receive comments on the final plan and strategies. Although some concerns were expressed regarding the timing associated with the planning process, there was general support for the Plan. Since the Open House, staff also met several times with the Business Advisory Committee, concerned citizens and a Ratepayer Group representing residents living in homes adjacent to South Westminster. (A complete list of all meetings is outlined in this report). Input has also been received from a development company interested in acquiring and developing about 38 hectares (95 acres) in South Westminster (the former PNE lands).

DISCUSSION

The Land Use Plan

The South Westminster Plan responds to the City's objectives by presenting a new vision that will transform an unattractive and under-utilized industrial area into new industrial neighbourhoods and business districts, public spaces and special residential communities. The Plan will provide for an aesthetically pleasing environment that will encourage investment. Although the Plan is focussed on guiding the long-term development of the area, it will also serve to guide current land use decisions in improving the area's image and creating an attractive gateway into Surrey, via the Pattullo Bridge and the SkyTrain.

The Plan envisions a variety of land uses, including commercial, industrial, residential and recreational. It provides for five distinct districts defined by existing major roads and railways.

These five districts are described below and shown on the map attached as Appendix V. The recommended Land Use Plan is contained in Appendix VI.

The Fraser River Waterfront District

This area envisions two waterfront parks (Brownsville Bar and Tannery Park) connected by a future public boardwalk along the Fraser River shoreline. The Plan calls for a change along the waterfront from vacant and under-utilized industrial lands to recreation in the short term and to residential/commercial uses in the long term. It also identifies high quality business parks and/or multiple family residential uses around the Pattullo bridgehead area and along the King George Highway corridor. The existing trailer park site, located adjacent to the waterfront at Old Yale Road, could potentially be redeveloped to a higher density multiple residential use. A portion of the riverfront between the two parks has been identified as a "Special Study Area". It is the intention of the City to work with the Fraser River Port Authority toward finalizing the types of land uses and waterfront design along this portion of the River.

Yale Street Commercial District

The South Westminster Plan recognizes the importance of Old Yale Road as a historic link to the River and reinforces this role by identifying it as a key and significant link to the Fraser River waterfront area. The Plan envisions the development of retail and office uses mixed with residential uses on the upper floors of properties fronting Old Yale Road. Lined with small-scale, pedestrian-oriented commercial uses such as shops, sidewalk cafes and restaurants at street level on both sides of Old Yale Road, the street is envisioned to be open, inviting and pedestrian-friendly. The Plan calls for the areas around Old Yale Road to be developed for high quality business parks mixed with multiple residential uses.

The intersection of Old Yale Road and the South Fraser Perimeter Road is currently at grade with traffic signals. With the completion of the South Fraser Perimeter Road, it is anticipated that this intersection will be eliminated with the South Fraser Perimeter Road grade-separated over Old Yale Road. This will allow Old Yale Road to continue at grade underneath the fly-over.

Transit-Oriented Urban Village

Given the public-oriented and transportation focus associated with the SkyTrain, the area in the vicinity of the Scott Road station is appropriate for a transit-oriented development that takes advantage of its regional accessibility, proximity to the riverfront and river views. The intent is to develop this area as an active residential community.

Transit-Oriented Development is typically a compact, mixed-use development centred at a transit station to encourage people to live near transit services and to decrease their dependence on cars. To accommodate residential uses in the area, a school and park site, if required by the School District, has been designated in the south part of the area.

Scott Road Commercial District

The Plan envisions the development of highway commercial uses along the Scott Road corridor from 104 Avenue/Tannery Road north to Old Yale Road. The highway commercial outlets could be complemented by business parks toward the South Fraser Perimeter Road and toward the east to the toe of the southeast slope of the residential hillside. The development of high quality business parks, along with landscaped buffer areas will provide a suitable transition to the residential areas on the hillside.

Light Industrial District

The Fraser Port is a 54-hectare (133-acre) multi-berth port facility located on the southern tip of the South Westminster industrial area. With excellent access provided by the South Fraser Perimeter Road, railways and the River, the Ports' outlook for expansion appears favourable. In recognition of the Port's favourable future, the South Westminster Plan makes provision for industries in the vicinity of the Port that will support the continued growth and prosperity of the Port. With the completion of the South Fraser Perimeter Road, the Port will receive enhanced access via an interchange at Tannery Road which will connect the Port lands with the light industrial lands on the southeast side of the Perimeter Road.

In response to the concerns of the residents on the hillside to the south and east and to buffer the industrial lands from the residential uses on the hillside, the lands within the eastern portion of this district, at the base of the hillside, are designated for Business Park uses.

The Urban Design Concept

The Urban Design Concept intends to re-capture the "sense of place" for South Westminster (Appendix I, Part D). It reinforces the historic connection to the Fraser River along Old Yale Road, incorporates opportunities for landmarks, gateways, plazas and squares at strategic points and integrates the history of the area through the creation of a number of urban spaces that will focus activities in the community. The Urban Design Concept also provides for special development guidelines for the various character areas in South Westminster. Detailed descriptions and drawings of the Urban Design Concept are contained in Appendices I and II.

Amenity Requirements

In accordance with Council policy, to address the amenity needs of the proposed new development in South Westminster, all development proposals will, at the time of rezoning or building permit issuance, be required to make a monetary contribution toward the provision of new police, fire protection and library services and toward the development of the parks, open spaces and pathways.

The monetary contributions toward police, fire and library materials will offset the capital costs of providing these services to the new development. They are applied on a standardized basis in all of Surrey's Neighbourhood Concept Plan areas. Monetary

contributions toward parks, open spaces and pathway development are based on an estimate of the capital costs of the development of sports fields and related amenities for the proposed school-park site, trails in linear parks along drainage canals, the waterfront walkway and plazas, improvements at Brownsville Bar Park and development of Brownsville Square at the foot of Old Yale Road.

Business, industrial and commercial developments are exempt from contributing toward park/pathway development and library services, as they will have minimal impact on the need for these services. A summary of the applicable amenity contributions (per dwelling unit or acre) is outlined below.

South Westminster Neighbourhood Concept Plan – Amenity Contributions			
	Per Unit Contribution – All Residential ¹	Per Acre Contribution – All Non-residential ²	Anticipated Revenue
Police Protection	\$54.46 per dwelling	\$218.65 per acre	\$329,683.50
Fire Protection	\$236.09 per dwelling	\$944.68 per acre	\$1,425,023.95
Park/Pathways Development	\$855.00 per dwelling	n/a	\$2,800,000.00
Library Materials	\$122.35 per dwelling	n/a	\$400,626.95
Total Contribution: Per unit or per acre	\$1,267.90 per dwelling	\$1,163.33 per acre	
Total Anticipated Revenue			\$4,955,334.40

Public Consultation

The planning process involved a number of steps with formal and informal opportunities for the public and business owners to participate in the process. These steps included:

1. Council approved Terms of Reference (1999);
2. Business Advisory Committee ("BAC") formed - 16 members (1999);
3. Three land use options developed (2000);
4. Public Open House (May 2000);
5. Preferred land use option discussed with BAC (delayed due to PNE decision);
6. Preferred land use plan endorsed by BAC (2002);
7. Servicing study commenced (2000);
8. Council approved NCP in principle (March 2003);
9. Public Open House to review final plan, servicing and funding requirements (April 2003);
10. Meetings with Ratepayers' Association and BAC about final Plan:
 - Community meeting with hillside residents (June 2003),
 - BAC Meeting (September 2003),
 - Meeting with Ratepayer's Association Executive (September and October 2003),

¹ Based upon an estimated 3,275 dwelling units

² Based upon: 155 acres of business park, 55 acres of business park/IL, 335 acres of IL, 20 acres of retail C-8, 120 acres of highway commercial, and 5 acres of transit village business/commercial = 690 acres

- Community Meeting with Ratepayer's Association (November 2003);
- 11. Funding sources for services finalized (November 2003);
- 12. Finalization of NCP, servicing and funding (November 2003); and
- 13. Council approval of NCP, servicing and funding (Pending December 2003).

At the final Public Open House in April 2003, a group of residents from the surrounding hillside area brought forward concerns respecting the existing and proposed land uses in South Westminster. These residents subsequently established a Ratepayer's Association. Their specific interests are:

- Concern that the potential expansion of the Fraser Port and additional industrial uses may be noisy, bright and cause nuisance for the residents on the hillside; and
- A desire for more parkland in the South Westminster area for the use and enjoyment of hillside residents, including connecting bicycle and pedestrian routes to better integrate the hillside residential area with the low lands and waterfront in South Westminster.

City staff (Planning and Development, Engineering and Parks, Recreation and Culture) met with this Ratepayer group on four occasions to review and discuss these matters. As a result, the lands at the base of the hillside are designated for Business Park uses to ensure that development adjacent to the residential areas is of a high quality with no outdoor storage facilities. Additional pedestrian and bicycle routes were also incorporated into the Plan along with some additional green space and recreational opportunities. Buffering between the industrial and residential areas is a requirement of the NCP as well as enhanced landscaping within and around new developments in the industrial areas of South Westminster.

Implementation of the NCP

Zoning By-law Amendments to Promote Higher Quality Industrial Land Use

In October 2001, Council gave first and second readings and held a public hearing on two Zoning By-law amendments:

1. The new ISB - Selected Business Industry Zone was intended to accommodate and regulate the development of selected industrial uses primarily enclosed within buildings. Outdoor storage in the proposed ISB Zone was proposed to be limited to an area equal to the site coverage of the building on each site (i.e., a 25,000 square foot single storey building could have a maximum of 25,000 square feet of outdoor storage including truck parking); and
2. The second by-law involved several large sites in South Westminster which were proposed to be rezoned from IL – Light Industrial to the proposed new zone ISB. The rationale for this rezoning was that these lots are large and under the IL zone, could be used for transportation industry and truck parking uses. To restrict the possibility of large-scale outdoor storage uses on these sites, it was recommended that these lots be rezoned to the amended ISB Zone.

Following the public hearing for these two by-law amendments in October 2001, Council directed staff to review the amendments with a view to confirming their potential effectiveness and synchronize them with the outcome of the NCP process for South Westminster.

Recently, a major developer has expressed an interest in developing the former PNE lands in five building phases over the next 15 to 20 years. The intent is to build warehouse and distribution facilities, service commercial uses and single occupancy and multi-tenant industrial buildings. This industrial area is critical to the viable operation of the Fraser Port. As well, this project would provide a much needed catalyst to the redevelopment of South Westminster. It is recognized that the servicing and site preparation required, due to the poor quality soils, will be expensive and will take some time. For these reasons the developer has requested the ability to use portions of this area for outside storage on a temporary basis. Where the proposed ISB zone was intended to apply to these lands, limiting outdoor storage and truck parking to the size of the building on each lot, the developer has requested that at build-out, outdoor storage and truck parking be allowed on up to 40% of the site, provided that the minimum building site coverage is 25%. The height of outdoor storage will also be regulated. Container storage will be permitted on up to 10% of the area of a site, but cannot be in excess of two containers high.

It is recognized that Council and neighbouring residents have voiced concerns with the outdoor storage, with the compatibility of outdoor storage uses with the surrounding residential areas and with the overall image and appearance of the South Westminster area. In view of this, it is recommended that the two previously introduced bylaws be modified to allow a higher level of outside storage, subject to adequate screening and buffering to meet Council's objectives for a high quality and attractive industrial and business area.

The proposed ratio of building site coverage to outdoor storage is slightly higher than that prescribed for the City-owned industrial sites in Bridgeview (i.e., up to 35% of the site may be used for outdoor storage and truck parking if the building covers 25% of the site). These provisions, however, would apply only to large master planned development projects where the ratios of building coverage and outdoor storage can be managed in a comprehensive manner. In the interim, it is recommended that for any site where the building covers less than 25% of the site, outdoor storage and truck parking be limited to an area no greater than 1.5 times the area of building coverage.

It is not recommended, however, that outside storage be included in the by-law as a principal permitted use on any site. The South Westminster NCP specifies that any proposal for interim outdoor storage on any site (i.e., before the site is developed) within the Light Industrial designation would only be considered through a site-specific Temporary Use Permit ("TUP") application. In this way, Council will maintain control over the height of and nature of outdoor storage areas and on the screening and buffering requirements and would be in position to reconsider whether the use should be continued every two years when the TUP expires. Eventually, these sites would be developed with industrial buildings.

OCP Amendments

The entire area covered by the South Westminster NCP is currently designated Industrial in the OCP. Although the NCP Land Use Plan anticipates some changes to the OCP designations in South Westminster (i.e., from Industrial to Commercial at the SkyTrain Station), the determination of the precise boundaries of these changes cannot be established until a detailed survey plan is presented. It is, therefore, recommended that any necessary changes to the OCP designations in South Westminster proceed concurrently with site-specific rezoning applications, as has been the process followed for other NCP in the City.

Design Guidelines

It is proposed that the Design Guidelines for South Westminster be implemented through the process of reviewing and approving Development Permits.

Project Team

A project team consisting of City staff from the Planning and Development, Engineering and Parks, Recreation and Culture Departments along with staff from the Fraser Port Authority should be established to initiate the "Special Study" required for the waterfront area as described in this report.

Zoning By-law Amendment for Amenity Contributions

To enact the amenity contribution requirements, the Zoning By-law requires an amendment to add South Westminster to the list of Neighbourhood Concept Plans within which amenity contributions are required. The proposed amendments to Schedule "G" of the Zoning By-law, to incorporate the amenity fees for South Westminster, are documented in Appendix II.

Potential Sign By-law Amendment

Portions of South Westminster, particularly along Scott Road and the South Fraser Perimeter Road, will be developed with commercial and business park uses. These areas are and will continue to be exposed to a large amount of local and commuter traffic on these major roads. To ensure that the developments along these frontages have a reasonable opportunity for signage, without detracting from the objective of creating a high-quality attractive gateway to Surrey, amendments to the Sign By-law may be required. City staff will review the Sign By-law with a view to bringing any appropriate amendments forward to Council in due course.

CONCLUSION

The proposed South Westminster Plan responds to Surrey's objectives with a new vision that will transform an industrial waterfront into parks and public spaces and transform an existing less than attractive and under-utilized industrial area into new industrial and business districts, special residential communities and waterfront recreation areas. The Plan provides for jobs, an increased tax base from land/improvement assessments and an improved balance between residential and business land use activities as set out in the OCP. The South Westminster Plan will also provide for an aesthetically pleasing environment that will encourage investment in South Westminster.

Strategies have been identified for funding various amenities required for the new development and for creating a new identity for South Westminster through an Urban Design Concept. The Plan has been developed in consultation with the property owners and stakeholders of the South Westminster area and adjacent residential areas. The area's industrial community supports the Plan as proposed.

In 2004, staff will bring forward to Council, modifications to two by-laws that dealt with limiting the amount of outdoor storage that would be permitted on certain lands in the area. These by-laws were tabled after the public hearing, pending the outcome of the South Westminster NCP process. The modifications to these by-laws will allow limited outdoor storage within proximity of the Fraser Port, while ensuring quality compatible business uses next to the surrounding residential areas.

It is recommended that the final and complete NCP for South Westminster, as described in and appended to this report, be adopted by Council to guide the future development of the South Westminster area.

Murray Dinwoodie
General Manager
Planning and Development

WW:saw

Attachments

- Appendix I Neighbourhood Concept Plan for South Westminster
- Appendix II Proposed Zoning By-law Amendment
- Appendix III Corporate Report No. C005
- Appendix IV Corporate Report No. R242
- Appendix V Map Showing the Five Land Use Districts in South Westminster
- Appendix VI Land Use Plan for South Westminster

Neighbourhood Concept Plan for South Westminster

(Appendix I is a separate document)

Proposed Zoning By-law Amendment for Amenity Contributions

It is recommended that Schedule G, Amenity Requirements in Neighbourhood Concept Plan (NCP) and Infill Areas in Surrey Zoning By-law, 1993, No. 12000, as amended, be further amended by adding a new Item 19, after Item 18, as described below:

South Westminster Neighbourhood Concept Plan – Amenity Contributions			
	Per Unit Contribution – All Residential ³	Per Acre Contribution – All Non-residential ⁴	Anticipated Revenue
Police Protection	\$54.46 per dwelling	\$218.65 per acre	\$329,683.50
Fire Protection	\$236.09 per dwelling	\$944.68 per acre	\$1,425,023.95
Park/Pathways Development	\$855.00 per dwelling	n/a	\$2,800,000.00
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Total Contribution: Per unit or per acre	\$1,267.90 per dwelling	\$1,163.33 per acre	
Total Anticipated Revenue			\$4,955,334.40

³ Based upon an estimated 3,275 dwelling units

⁴ Based upon: 155 acres of business park, 55 acres of business park/IL, 335 acres of IL, 20 acres of retail C-8, 120 acres of highway commercial, and 5 acres of transit village business/commercial = 690 acres



Corporate Report

NO: C005

COUNCIL DATE: March 3/03

COUNCIL-IN-COMMITTEE

TO: **Mayor & Council** DATE: **February 27, 2003**
FROM: **General Manager, Engineering** FILE: **6520-20(SW)**
SUBJECT: **South Westminster Neighbourhood Concept Plan (NCP) Servicing Plan Report**

RECOMMENDATION

That Council adopt the engineering servicing and financial strategies as outlined in this report and as specified in South Westminster Master Servicing Plan as the means of managing engineering services for this neighbourhood, subject to:

1. Full payment of sanitary sewer, arterial and collector road Development Cost Charges (DCCs) at the time of the Servicing Agreement.
2. Use of a specified area levy as outlined in this report, (in the section on Financing) to assist in funding arterial and collector roads and authorize staff to initiate the required public notification and counter petition process.

INTENT

The purpose of this report is to:

1. Provide Council with an overview of the engineering servicing and financial strategy for South Westminster Neighbourhood Concept Plan (NCP) Study Area.
2. Seek Council support for one of the financing strategies presented in this report.

BACKGROUND

The Proposed Land Use Concept Plan for the South Westminster (Stage 1 NCP) Study Area is being presented for approval in a separate Corporate Report from the General Manager of the Planning & Development Department. This report outlines the engineering servicing issues and financial issues that are included in the Master Servicing Plan. A number of engineering and financial issues were to be resolved as part of the

Master Servicing Plan report. The Master Servicing Plan analysis has now been completed based on the Proposed Land Use Concept Plan.

DISCUSSION

We have completed an engineering servicing analysis and financial plan for the South Westminster Study Area. This report includes engineering services layouts and financial analysis, and is available in the Engineering Department.

The engineering services discussed in the report relate to major infrastructure. Only those works which could be added to the 10 Year Plan and funded through Development Cost Charge (DCC) program, such as major trunk sewer and water grid mains, major collector and arterial roads and major storm water management infrastructure (trunk storm sewer and major canal work) are discussed in detail in the report. Localised site servicing requirements of individual developments are not analysed in the report.

Unlike most other NCP study areas, servicing South Westminster NCP has a number of unique challenges:

- The area is underlain by highly compressible peat soil;
- The groundwater table is high;
- The area is traversed by three separate railways;
- The area lies below the Fraser River 200 year flood level; and
- The existing vacuum sanitary sewer system has no capacity to accommodate new development.

Sanitary Sewer

The existing vacuum sewer system, that services about half of the study area, has no capacity to accommodate new development. Because of the high maintenance cost and the lack of reliability of the vacuum sewer, the City originally intended to replace this system with a steep grade sewer multi-cell/pump system when the area is redeveloped. The steep grade system was evaluated and compared with the newly introduced concept of Low Pressure System (LPS). The LPS is recommended over the steep grade system because it is estimated to be \$7 million less costly than the steep grade system. This saving will greatly reduce the front-end cost for initial development. This method also better facilitates the phasing of development in this area.

In the LPS, the City will own and maintain a system of force mains, and the property owner will be responsible to own and operate their respective pumping facilities on their property. This system of force mains comprise of a grid of 100 to 250mm diameter pipes conveying the sewerage pumped by the individual private pumps and delivering the sewerage to the GVRD interceptor (see Figure 1 in Appendix). The LPS will still have several municipal pump stations to maintain self-cleansing velocities in the system.

Water

Water is currently supplying the study area from three main feed points:

- From the GVRD trunk main via the 450mm diameter water main through Fraser Harbour Commission land;
- From the Kennedy Height Reservoir via a 350mm diameter water main down along Scott Road; and
- From the Whalley Reservoir via a 600mm diameter water main down along 104 Avenue.

To meet the fire flow requirement, a number of loops will have to be completed including: 300mm diameter water main along 104 Avenue and Tannery Road, 400mm diameter water main between 104 Avenue and Old Yale Road, 300mm diameter water main at Span Road, 300mm diameter water main at 110 Avenue and 300mm diameter at Robson Road.

Transportation

As a result of the relatively low density and level of development currently within South Westminster, the current road network easily accommodates the demand with very good levels of service at the intersections.

Full development of South Westminster will result in a significant increase in vehicular traffic and, without road improvements, the vehicle delays would be very high and disruptive throughout the road network.

To address the capacity requirements, significant road works are required, including construction of new roads, widening of arterials, and railway crossing improvements. The soil conditions for this area necessitate preloading, which affects the ability to phase construction and road works, and substantially increases the cost of the road construction.

In keeping with the City's objective of a bicycle and pedestrian friendly City, a comprehensive network of cyclist and pedestrian routes are proposed.

Preloading

As the NCP lies in an area underlain with peat and unconsolidated silts that will settle when subjected to loading, a soil investigation for each development should be carried out before an area is developed. The investigation should recommend the appropriate methods of placing fill and preload. Municipal services and access to individual lots may have to be maintained by relocating existing services and preloading one-half of the road at a time. Because of the logistic in providing vehicle access to adjacent properties and the relocation of existing services, development that amalgamate lots into large area should be encouraged. Conversely, small infill lots development will present an additional challenge because of the poor soils. Land assembly may be required in certain cases.

Drainage

The main watercourses and drainage systems for this area are: Delta Creek, Scott Creek, Collieries Canal, Robson Creek/Manson Canal, Old Yale Drainage System and Pattullo

Drainage System. Three previous comprehensive drainage reports have studied hydrology, hydraulics and environmental issues in this area. The boundaries of these studies areas went beyond this Master Servicing Plan to address the whole storm water catchments. The details of the findings and recommendations are available in: Storm Water Management Review, Pattullo Drainage System, Old Yale Drainage System Storm Water Management Review, and Manson and Gunderson’s Slough Watersheds Functional Plan.

Most of the recommended improvement works in Pattullo and Old Yale Drainage Basins have recently been constructed. Major improvement works recommended but not yet implemented are: The Scott Creek Canal, the Collieries Canal and Manson Canal Upgrades, and the replacement of the Grace Road storm sewer.

Financing

A financial analysis is included in the engineering servicing report. The details of all the necessary DCC infrastructure have been identified and the costs are included.

The following table summarizes the projected DCC revenues and construction costs for each engineering service at full build-out. The DCC revenues in this table are based on the current DCC rates.

Services	Projected DCC Revenues	Projected DCC Expenditures	Surplus/(Deficit) Balance
Sanitary Sewer	\$2,280,000	\$3,628,000	(\$1,348,000)
Drainage	\$13,155,000	\$3,510,000	\$9,645,000
Water	\$2,651,000	\$1,522,000	\$1,129,000
Arterial Road	\$14,670,000	\$21,553,000	(\$6,883,000)
Collector Road	\$3,702,000	\$16,322,000	(\$12,620,000)

As illustrated by the above table, the overall deficit is significant with majority of the deficit in Road services. The deficit in sewer and roads is primarily due to the higher cost of construction of these services due to soft soil conditions and the need for extensive pre-loading. The largest deficit is in roads although drainage shows a large surplus, this is mainly due to the intense upgrade of the area’s drainage systems in the last few years. These upgrades were funded through the City wide drainage DCC program. Using the drainage surplus to offset deficits in other service areas would severally impact the overall drainage DCC program that now needs to upgrade other areas in the city which contributed to the recent upgrade of the South Westminster area.

The three options considered to overcome the deficit in roads are:

Options	Funding Instruments	Impacts	Remarks	Recommendations
1	Rolling the deficit into the City Wide DCC	Increases to DCC Rates: Arterial Road: 3.3% Collector Road: 13.9%	May not be equitable to other areas Needs new DCC by-law including Provincial approval	Not recommended
2	Specified Area	Levy will be \$22,659 per	Equitable;	Recommended

Options	Funding Instruments	Impacts	Remarks	Recommendations
	Levy	acre over and above the DCC for industrial land (a 53.5% increase). No increase over the City Wide DCC rates.	More flexible than Area DCC. City-wide DCCs can be leveraged to fund works. Levies collected can be spread among all the services.	
3	An Area Specific DCC for South Westminster (similar to Campbell Height)	A 53.5% increase over the City Wide DCC rates (\$65,015 per acre for Industrial zone as compared to \$107,523 for Campbell Height).	Equitable but less flexible in financing the initial work from DCC as only the DCC collected from this area can be spend for this area.	Not recommended

Option 2, the Specified Area Levy to cover the deficit in roads, offers the most flexibility, has the least financial impact, and is one of the most equitable financing scheme among the financing options available. A Specified Area Levy, under section 646 of the Local Government Act, similar to the levy imposed on Port Kells is recommended for South Westminster Master Servicing Area. It is proposed that the levy would vary among different land uses on the same basis as that for roads DCCs vary. On this basis, the levy would be around \$22,700 per acre for industrial zoning, \$2,800 per 1,000 square feet for commercial zoning - ground floor; and \$3.00 per square foot for residential RM-30 zoning.

Under the Local Government Act all properties in the South Westminster area will be notified of the City’s intention to apply a specified area levy to facilitate development. If more than 50% do not counter petition against the levy the by-law establishing the charge will be brought forward at which time the exact rates will be established.

The financial strategy is in accordance with Council’s policy respecting the developer-pay principle and requiring each NCP to be financially self-sufficient.

Development Phasing

Three sub-areas were identified and reviewed to determine the development staging in this NCP: the Skytrain Village, the Bridgehead Area and the Scott Road Corridor. Each area incorporates a diversity of residential, commercial and retail land use, thereby allowing flexibility in responding to changing market demand.

From an engineering and servicing cost perspective, Skytrain Village Area is easiest to service and offer the best cash flow for the infrastructure development. Scott Road, 128 Street and 110 Avenue service this area. Scott Road has been preloaded and 110 Avenue has been partially preloaded. Signalised intersections already exist at Scott Road and King George Highway. The area is close to Skytrain and transit. Some of the sanitary system is already in place.

Scott Road Corridor Area, located along Old Yale Road and between the Scott Road and the South Fraser Way, is the second best area from a cash flow and servicing cost perspective. This area can be accessed from both Scott Road and South Fraser Way that were both preloaded. However, Old Yale Road has not been preloaded and will be costly to construct.

Servicing the Bridgehead area, located at the end of Old Yale Road and by the side of Fraser River, presents a number of challenges. Old Yale Road, being the only primary access to the area, is in relatively poor condition and has not been preloaded. Timberland Road is the secondary access, also is in poor condition, and shares its right-of-way with a railway spur line. The edge of the roadway abuts the rail. The widening of Timberland Road would require additional right-of-way. An elevated rail crossing exists near the intersection of South Fraser Way and Old Yale Road. This bridge crossing needs to be upgraded at a significant cost to provide the clearance necessary for the Old Yale Road Improvement. This area is the most expensive area among the three areas selected in this study.

The table below shows the servicing costs and the projected DCC collections for the three selected areas in the next 10 years:

Area	Servicing Cost	10 Year DCC Revenue Forecast	Projected Surplus/Deficit	Anticipated Phasing
Skytrain Village	\$4,001,000	\$7,339,000	\$3,338,000	1 st
Scott Road Corridor	\$3,846,000	\$1,697,000	\$(2,149,000)	2 nd
Bridgehead	\$4,870,000	\$817,000	\$(4,053,000)	3 rd

Note: The figures in this table and the following table are rounded to the nearest \$1,000.

CONCLUSION

The South Westminster Master Servicing Plan report provides the comprehensive servicing and financial plan for the area. The report provides a funding strategy such that the major servicing costs are not borne by the existing taxpayers. Significant savings will incur in adopting the Low Pressure Sanitary Sewer System as against the original concept of Steep Grade Sewer System. Small infill lot development will be difficult at first because of the logistics of preloading. Significant deficits are projected for the Arterial and Collector Road DCC collection; however, the proposed Special Area Levy scheme will address these deficits. The engineering plan and financing strategy has been presented to the South Westminster Business Advisory Committee and received their support.

Original signed by

Paul Ham, P.Eng.
General Manager, Engineering

Cc: City Solicitor
VL/RL/PH/brb/kjj

Attachments

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APPENDIX I

South Westminster NCP
Proposed Servicing Plan Maps

DISCUSSION

1. Major Road Design

Road Standard

Due to the high cost of road construction in South Westminster, road width requirements will be minimized by such measures as eliminating on-street parking where reasonable on Major Collector Roads. Narrowing 110 Avenue and Old Yale Road between South Fraser Way (SFW) and 128 Street from 4-lanes to 2-lanes will also minimize arterial Road requirements without unduly impacting traffic flow. The proposed road widths, staging and classifications are shown on Map 1 in appendix.

Staging of the Road Program

In order to minimize impact to future development and to facilitate upgrading of municipal services along Old Yale Road between Scott Road and the South Fraser Way (SFW), it is proposed that the City would initiate pre-loading of the road in conjunction with the pre-loading of the adjacent property subject to obtaining the right-of-way at no cost. Interim access could be dealt with by temporarily paving over the preload or staging construction to half the road width at a time. Traffic projections indicate that the upgrading of 110 Avenue between 128 Street and Scott Road and the ultimate widening of 104 Avenue will not be needed until beyond the 10-year horizon and the present 10-year plan.

Financial Implications to the City

Because of the high costs to build roads in this area and the high demands on transportation of this area at build-out, it is important to carefully stage the improvements over the build-out time frame. Table 1 illustrates that without a special funding strategy, South Westminster would not be self-financing and needs to be financed from City-Wide DCC's, a special area levy or a combination of both. The road requirements over the next 10 years and to build out, together with DCC's generated, are shown on the following Tables 1 and 2:

<i>Table 1</i>			
10-YEAR HORIZON ROAD ADDITIONS			
Roads	Cost	DCC's Generated	(Deficit) or Surplus
<u>Arterial</u>			
Tannery Road from South Fraser Way to Scott Rd.	\$2.1 M		
Old Yale Road from South Fraser Way to Scott Rd.	\$3.0M		
Total for Arterial	\$5.1M	\$2.3M	(\$2.8)
<u>Major Collector</u>			
Grace Road Realignment Section at Scott Rd.	\$1.3M		
Old Yale Road from South Fraser Way to Timberland Rd.	\$1.0M		
Old Yale Road BNSF Railroad Crossing	\$0.5M		
Total for Major Collector	\$2.8M	\$0.6M	(\$2.2M)
TOTAL	\$7.9 M	\$2.9M	(\$5.0 M)

Table 2 <i>TOTAL ROAD REQUIREMENTS FOR BUILD-OUT</i>			
Roads	Cost	DCC's Generated	(Deficit) or Surplus
Arterial	\$21.1 M	\$14.7 M	(\$ 6.4 M)
Major Collector	\$15.4 M	\$ 3.7 M	(\$11.7 M)
TOTAL	\$36.5 M	\$18.4 M	(\$18.1 M)

2. Public Consultation

A public open house was held at Bridgeview Community Centre on March 16, 2003. Twenty-seven (27) of the attendees have a direct interest in South Westminster either through ownership of property or operating a business in the area. Questionnaires relating to the alternative funding for the roads were explained and distributed to all the attendees. Thirteen (13) answered questionnaires were returned to the City, of which 9 were from property owners in South Westminster. The results are summarized as follows:

- The majority were in favour of a reduced pavement width for Timberland Road.
- The majority preferred a Levy Option (i.e., Options 2 or 3).
- The majority were in support of the proposed servicing plan.

Over the last four months, we have also been meeting with representatives from the Fraser River Port Authority (FRPA) and representatives from WesGroup who have interest in the ex-PNE lands.

3. Funding from TransLink, Federal or Provincial Governments

None of the roads needing upgrading as identified in the South Westminster plan are eligible for TransLink funding, as they will not meet the traffic volume or characteristics required for MRN road classification. We are not aware of any other Federal or Provincial funding programs that the South Westminster roads would qualify for at this time.

4. Levy Comparison

The following table summarizes the levy comparison of South Westminster with Port Kells and Campbell Heights:

Table 3 LEVY COMPARISON			
<i>Area</i>	Existing or Proposed Levy (over & above City Wide DCC's) per acre of industrial land	Year Introduced	Comments
Campbell Heights	\$65,172 ¹	2002	Combined rate for all DCC services
Port Kells	\$11,957 ²	1977	Figure has been adjusted to present value based on a 3% annual inflation.
South Westminster (arterials & collectors)	\$21,045		To fund all the Arterial and Major Collector roads
South Westminster (arterials only)	\$ 7,425		To fund only Arterial Roads

1. the Campbell Heights rates were very high as there was no existing servicing in place

2. the Port Kells levy was eliminated once the provincial loan was fully repaid and more than 90% of the area developed.

The comparison shows that while the potential levy for South Westminster is not as high as Campbell Heights, overall costs may make the economics of development difficult, due to difficult soil conditions in the area and other local on-site servicing issues.

Review of Financing Options

Five options to finance the significant deficit in the roads DCC's have been developed. These, together with their impacts and implications, are outlined below in Table 4.

Table 4 FINANCING OPTIONS				
Option	Funding Instruments	Impacts	Remarks	Recommendations
1	No Levy	Collectors to be constructed by developers in conjunction with their site development. Delay some arterial road construction. Future City-wide DCC Rate for Arterial Roads may increase.	Balances the allocation of servicing cost between residential and industrial development. Increases the inventory of industrial land more than Options 2-5.	Recommended
2	Specified Area Levy for arterial roads	Levy will be \$7,435 per acre over and above the DCC for industrial land (a 17.5% increase). No increase over the City Wide DCC rates.	Equitable but may moderately impede industrial development More flexible than Area DCC. Citywide DCC's can be leveraged to fund works. Levies collected can be spread among all the services.	Not recommended
3	Specified Area Levy for major collector and arterial roads	Levy would be \$21,045 per acre over and above the DCC for industrial land (a 49.7% increase). No increase over the City Wide DCC rates.	Equitable but may impede industrial development. More flexible than Area DCC. City-wide DCC's can be leveraged to fund works.	Not recommended
4	Rolling the deficit into the City Wide DCC	Increases to DCC Rates: Arterial Road: 3.2% Collector Road: 12.9%	May not be equitable to other areas May impede development on a citywide basis.	Not recommended
5	An Area Specific DCC for South Westminster (similar to Campbell Height)	A 49.7% increase over the City Wide DCC rates (\$63,401 per acre for Industrial zone)	Equitable but less flexible in financing the initial work from DCC's, as only the DCC's collected from this area can be spent for this area.	Not recommended

Option 1 is recommended as it balances upfront costs with longer-term implementation. In doing so, it relies on delaying some arterial road works to future 10-year servicing plans on the basis that the City can work in conjunction with developers to pre-load arterials during development of their site in order to avoid the business disruption and reduce the ultimate costs. By adding the remaining arterial roads in future 10-year servicing plans, there is a high probability that this option would result in a small (2-3%) increase for City-wide arterial DCC's in the future.

Under Option 1, major collector road construction will be delayed until fronting properties develop. This is considered a reasonable option because developers fronting major collectors will have construction costs similar to that of developers fronting local industrial roads. Under this option, the developers can be reimbursed the value of the road construction if the road is in the 10-year plan to a maximum of their DCC's payable. Thus, by leaving construction of all major collector roads to occur through redevelopment, the Major Collector DCC shortfall would be eliminated.

Although this option offers less flexibility by relying on future development to complete major collector segments, it does help facilitate development in South Westminster by avoiding the burden of a levy. Comments on the other options are as follows.

Comparatively, the Specified Area Levies of Options 2 and 3 offer more flexibility, facilitate the orderly development, and are equitable financing schemes. However, the proposed levies in addition to the high cost of developing sites in the area with poor soil conditions may deter potential developers.

Option 2 significantly reduces the levy by delaying major collector road construction until fronting properties develop, but may still be somewhat of a deterrent to development.

Option 4 was eliminated due to inequity to other areas. Option 5 was rejected due to the inflexibility for financing of services and the difficulty in implementation compared to specified area levies.

CONCLUSION

To promote and encourage industrial developments in South Westminster, "Option 1 – No Levy" is recommended. Under this option, the major roads in South Westminster will be staged such that the financial impact and the business disturbance in the area will be minimized. The City-wide DCC's would finance the projected Arterial Road deficit, resulting in an increase in arterial DCC's of 2 to 3% in future, while collector roads would be the responsibility of the fronting developers.

Original signed by

Paul Ham, P.Eng.
General Manager, Engineering

PH/VL/RL/brb

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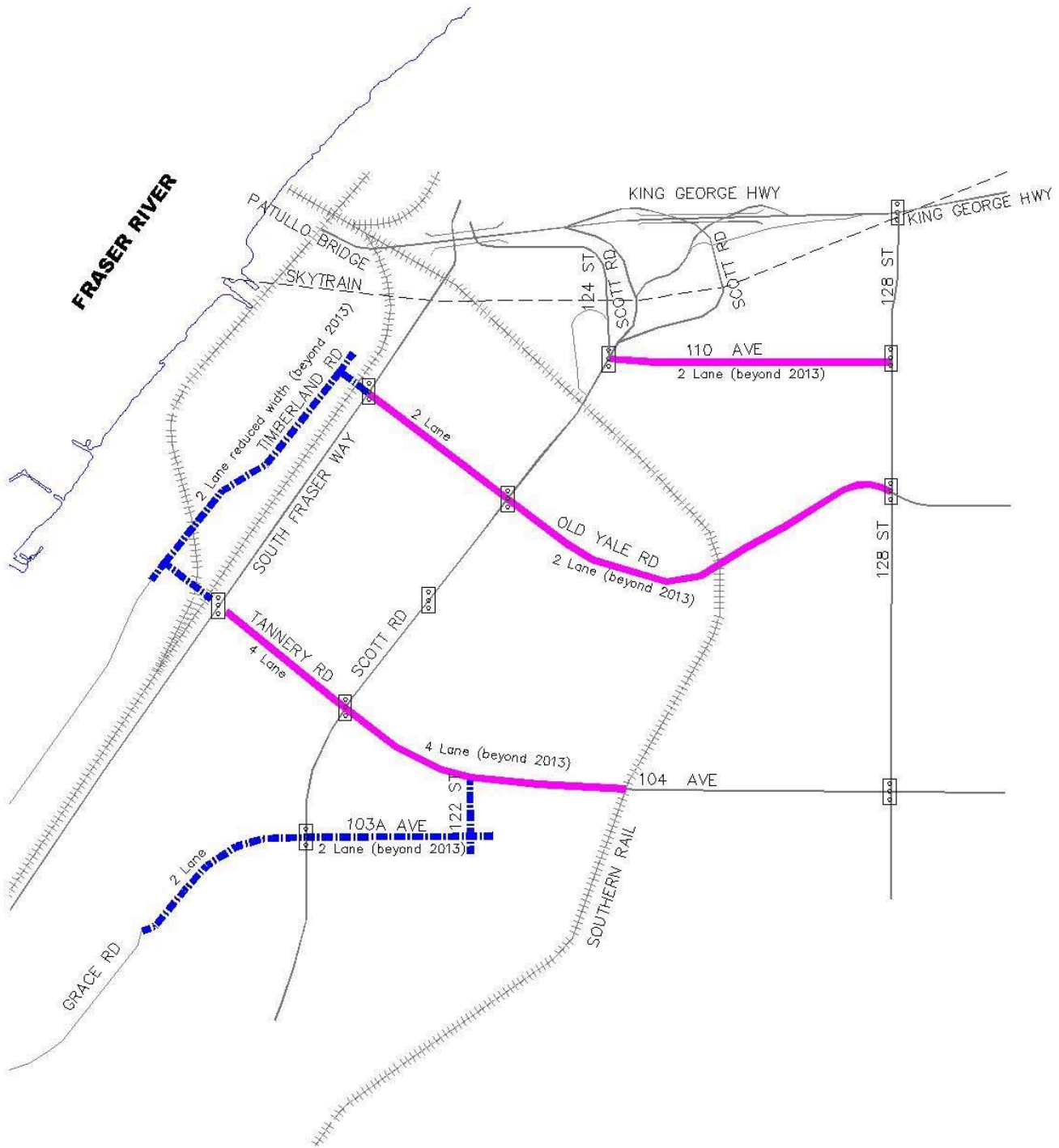
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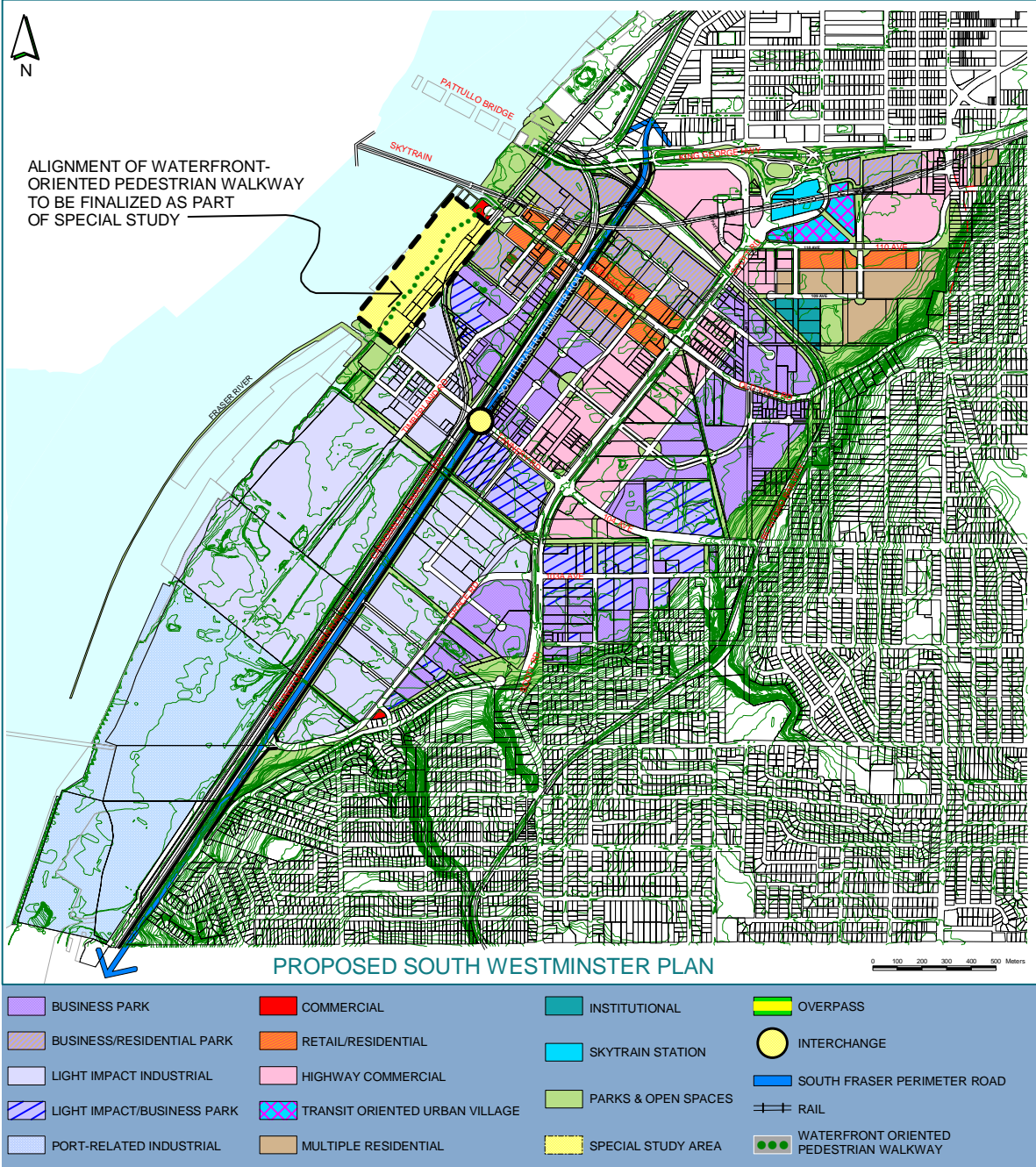
LEGEND:

- Arterial Improvements
- Collector Improvements
- Signals

Proposed Arterial and Collector Roads



Map of the Five Land Use Districts in South Westminster



Land Use Plan for South Westminster

