

NO: **R043**

COUNCIL DATE: **MARCH 31, 2014**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **March 13, 2014**

FROM: **Acting General Manager, Engineering**

FILE: **7811-0269-00
8111-0269-00-1**

SUBJECT: **Development Cost Charge Front-Ending Agreement for Works that Support
Development in the North Grandview Heights Neighbourhood Concept Plan**

RECOMMENDATION

The Engineering Department recommends that Council authorize the execution of a Development Cost Charge Front-Ending Agreement to an upset limit of \$2,447,200.00 (including applicable taxes), with Cressey (Grandview) Development LLP, the Developer, in relation to the construction of the low-pressure watermain for the North Grandview Heights neighbourhood all as generally described in this report and in Appendix I to this report.

INTENT

The purpose of this report is to obtain approval for a Development Cost Charge Front-Ending Agreement (DCCFEA) as means by which to reimburse the Developer with Water DCCs that will be collected by the City from development on land in the benefiting area, as illustrated on the map attached as Appendix I, for some of the costs that the Developer will incur in constructing the low-pressure watermain within the North Grandview Heights neighbourhood.

BACKGROUND

At its Council-in-Committee meeting on September 12, 2005, Council considered Corporate Report No. 2005-C013 and, by approving the recommendations of that report, approved the engineering servicing strategies for the North Grandview Heights Neighbourhood Concept Plan (NCP) Amendment.

Engineering Department staff has been working through the development servicing design process with the Developer who is proposing to construct the low-pressure watermain in the North Grandview Heights NCP. Certain components of these works are eligible for Water DCC reimbursement by the City.

The use of Water DCCs to fund construction of the low-pressure watermain is consistent with the provisions of the Local Government Act regarding development cost recoveries. The use of a DCCFEA, as recommended in this report, is in keeping with City policy regarding the use of such an Agreement as a means of financing the construction of services that are contained in the City's 10-Year Servicing Plan.

DISCUSSION

The Developer is proceeding with development on a site that is in the North Grandview Heights NCP. The construction of the low-pressure watermain is required to allow development to proceed on that site and other lands in the North Grandview Heights NCP.

The benefiting area for the DCCFEA is illustrated in Appendix I, which is attached to this report.

The DCCFEA as proposed will not significantly affect the reasonable implementation of the City's water DCC program or the 10-Year Servicing Plan.

Subject to Council approving the recommendations of this report, Staff will forward the related Agreement that has been revised by Legal Services for execution by the Developer. Construction of the works will be based on a competitive tendering process by the Developer with the results of such process reviewed by City staff to confirm that the process reflects the City of Surrey purchasing policy and the prices represent reasonable value.

The Developer will post securities for the construction of the subject works through the normal Servicing Agreement process. The amounts to be collected from the benefiting lands under the DCCFEA will be finalized upon completion of construction of the works and on certified actual costs to a maximum of the upset limits included in the Recommendation section of this report.

FUNDING

The construction of the works will be front-ended by the Developer. The proposed DCCFEA has a term of 15 years, and will allow the Developer to recover some of the costs of constructing the works from Water DCCs that will be collected by the City from development on land in the benefiting areas, as illustrated on the map attached to this report as Appendix I. The Agreement will expire 15 years after the Completion Date, regardless of the amount of the recoveries that is achieved by the Developer at that time under the Agreement.

SUSTAINABILITY CONSIDERATIONS

The proposed works and funding strategies to which this report refers support the Economic and Environmental Pillars of the City's Sustainability Charter; more particularly, the following goals:

- EC3: Sustainable Infrastructure Maintenance and Replacement – by minimizing initial capital and long term maintenance costs of infrastructure; and
- EN9: Sustainable Land Use Planning and Development Practices – by allowing for planned and orderly development in the City.

CONCLUSION

Based on the above discussion, it is recommended that Council authorize the execution of a Development Cost Charge Front-Ending Agreement to an upset limit of \$2,447,200.00 including all applicable taxes, with Cressey (Grandview) Development LLP, the Developer, in relation to the construction of the low-pressure watermain for the North Grandview Heights neighbourhood all as generally described in this report and in Appendix I to this report.

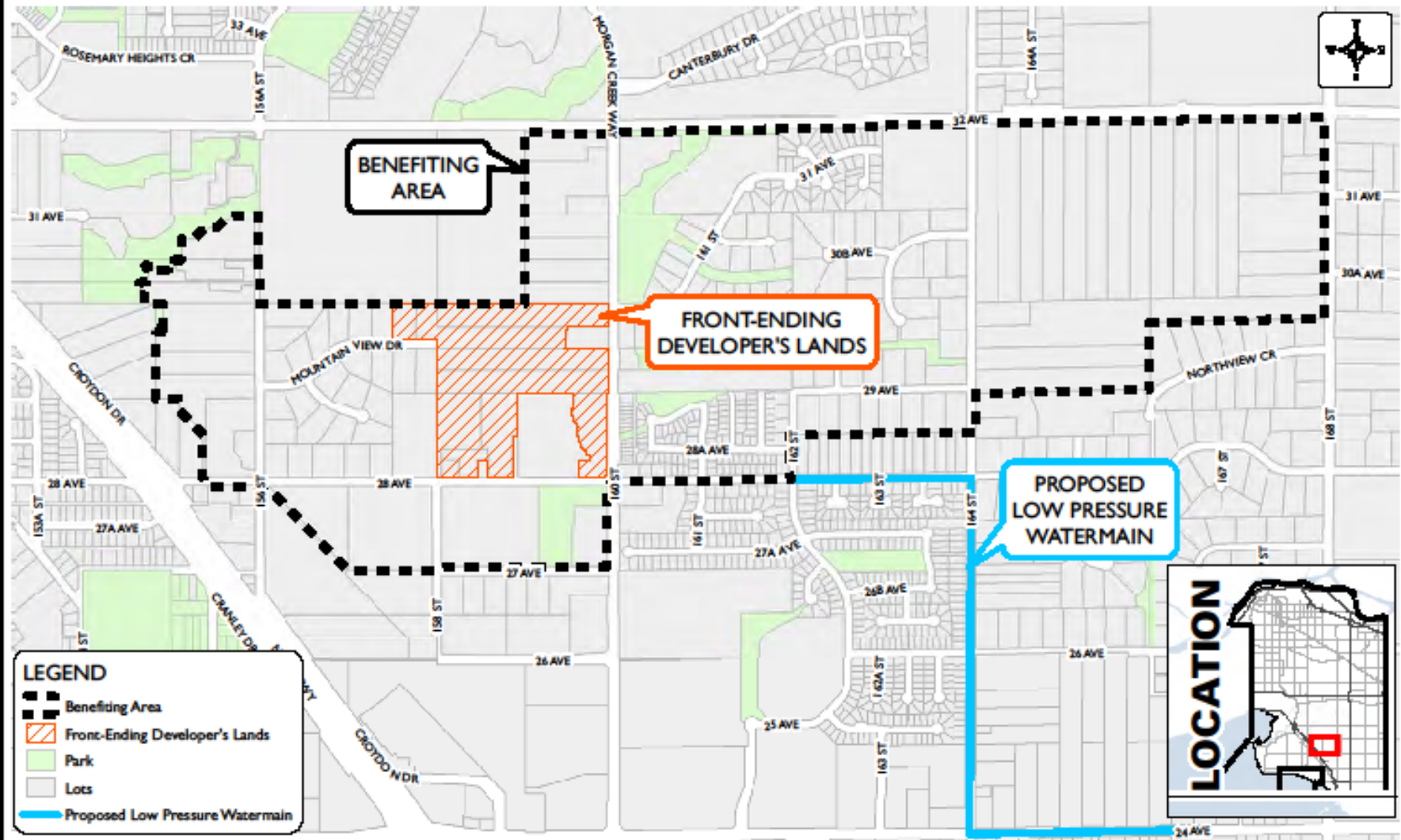
Gerry McKinnon
Acting General Manager, Engineering

SSL/brb/ras

Appendix I - Benefiting Area Map for the Proposed Water DCC Front-Ending Agreement

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APPENDIX I



Produced by GIS Section: 06-Mar-2014, c6s



Benefiting Area Map DCC Front-Ending Agreement, Low Pressure Watermain, North Grandview Heights NCP

ENGINEERING
DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey.
This information is provided for information and convenience purposes only.
Lot sizes, legal descriptions and encumbrances must be confirmed at the Land Title Office.

Source: G:\MAPPING\GISM\april\Corporate\Report\Land Dev\CS-Crossway\Water\COCS\BenefitingArea-AP1.mxd