



# **Corporate** NO: R186

# **Report** COUNCIL DATE: September 4, 2001

## **REGULAR COUNCIL**

**TO: Mayor & Council** DATE: **August 29, 2001**

**FROM: General Manager, Engineering** FILE: **5503-001**

**SUBJECT: Updated 10 Year Servicing Plan**

## **RECOMMENDATION**

1. That the 2001-2010 10 Year Servicing Plan be endorsed by Council.
2. That this 10 Year Servicing Plan be used as a basis for long-term capital expenditure planning and the calculation of development cost charges (please see separate report on DCCs) for all areas of the City, except the Campbell Heights Industrial Area.
3. That the 2001-2010 Servicing Plan be submitted to the Inspector of Municipalities in conjunction with the City's pending submission of the new DCC by-law.

## **INTENT**

To seek Council endorsement for the updated 2001-2010 engineering servicing plan forwarded to Council under separate cover.

## **BACKGROUND**

The 10 Year Servicing Plan serves as a basis for long-term capital expenditure planning, calculating Development Cost Charges (DCC), and providing DCC credits/rebates for developers constructing trunk services identified in the Plan. The Servicing Plan is not a commitment to constructing the works identified as actual construction is contingent on need and on having the funding available (i.e., DCCs collected or general revenue or utility funds approved as part of the annual budget and funding from other agencies).

The Servicing Plan was last updated in 1997. At that time, a number of significant planning and engineering initiatives and studies had been just completed including:

- New OCP.
- NCP's completed or underway for all new urban areas.
- Master Drainage Plans prepared for extensive areas of Surrey.
- Lowland Flood Control Technical Study completed.

The findings of all these studies and initiatives, some of which involved intensive public consultation, were incorporated into the 1997-2006 Servicing Plan.

The 2001-2010 Servicing Plan builds on this previous plan in that it deletes projects that have been constructed and brings in new projects needed for the years 2007-2010. Also, new projects have been added, or amendments to previous projects have been made, as additional information or study data has become available. The plan also allows for TransLink cost sharing of construction of widening and safety improvements on the Major Road Network, more details of which are provided in the following section. Where projects have been constructed by developers under DCC Frontender Agreements, the remaining balance to be paid to the frontenders has been rolled over into the new Servicing Plan.

### **Relationship to City's Proposed OCP**

This update of the 10 Year Servicing Plan has been underway for some time now and reflects current City OCP policies. We have evaluated this current update in conjunction with the Planning and Development Department and have found that it is not in any way conflicting with proposed direction of the new OCP, which emphasizes increased commercial/industrial economic development in the City.

To this end, the new Servicing Plan includes, in the DCC-financed component, trunk servicing facilities for industrial lands in South Westminster, East Bridgeview, South Cloverdale, and East Newton. The ability to directly provide, or facilitate developers to provide trunk services for these industrial areas will assist with the City's goal of increased economic development and the intent of the City's new Official Community Plan.

Considerable thought has been given on the best strategy for financing and implementing the services for the Campbell Heights Industrial Area. At this time, we believe that the best approach is to treat Campbell Heights as a separate area from the overall City-wide, DCC-funded, 10 Year Servicing Plan. This will allow greater flexibility in the financing of services, which will be pursued through the use of specified area charges and public-private partnerships.

Consequently, we do not believe it is necessary to hold this update of the Servicing Plan pending the finalization of the new OCP. The Servicing Plan retains a considerable amount of flexibility and should the new OCP require minor updates of the Servicing Plan, these can be implemented as necessary.

### **Growth Projections**

The Planning and Development Department is projecting a growth in population of 105,000 from the beginning of 2001 to the end of 2010. This represents approximately 38,000 dwelling units. Additionally, commercial floor space growth is estimated to be 500,000 square feet a year and industrial development at 45 acres a year (excluding Campbell Heights) over the next 10 years. These growth amounts are allowed for in the 2001-2010

## Servicing Plan.

**SUMMARY OF COSTS**

The Servicing Plan identifies costs of capital projects to provide servicing capacity for the projected growth as outlined above. In addition, it identifies capital costs to resolve existing servicing deficiencies and to maintain the existing infrastructure, with a replacement value of \$4 billion, that provides service to the current population of 340,000. The costs included in the plan for the various components are estimated as follows:

|                              | Growth Related         |                       | Non-Growth Related     |                       |
|------------------------------|------------------------|-----------------------|------------------------|-----------------------|
|                              | Proposed<br>\$ million | Current<br>\$ million | Proposed<br>\$ million | Current<br>\$ million |
| Arterial Roads               | 164.2                  | 217.2                 | 47.2                   | 56.0                  |
| Non-Arterial Roads           | 41.6                   | 52.9                  | 49.5                   | 54.8                  |
| Drainage/Storm Water Control | 77.1                   | 90.4                  | 83.0                   | 69.1                  |
| Sanitary Sewer               | 35.7                   | 43.8                  | 20.0                   | 22.0                  |
| Water                        | 40.1                   | 46.8                  | 39.8                   | 35.5                  |
| <b>Total</b>                 | <b>358.7</b>           | <b>451.1</b>          | <b>239.5</b>           | <b>237.4</b>          |

**Growth Related Costs**

Overall, the proposed growth-related costs are lower than identified in the previous plan due to lower projections of growth, both in terms of overall population and housing units. This lower growth reduces the amount of capital works needed to provide additional servicing capacity. Additionally, as previously explained, these figures no longer include Campbell Heights which will be treated as a separate area.

In addition to this, with the establishment of the GVTA – TransLink, the City has an additional funding partner for costs to expand capacity of City arterials designated as part of the Major Road Network (MRN) for the region. This reduction in need has been somewhat offset by the Provincial highways that were downloaded to Surrey. Originally the City only allowed for funding urban features (i.e, sidewalks, street lights, etc.), whereas now the cost sharing will range from 50% on the smaller projects to potentially as little as one-sixth for larger projects constructed under programs, such as the Infrastructure Program.

Should GVTA-TransLink move to reduce or eliminate Capital funding for roadworks as a result of their project funding shortfall, the 10 Year Plan will have to be re-evaluated, and either DCCs adjusted or the overall program reduced.

The growth related costs are funded, apart from a small amount of City funding assistance, from Development Cost Charges. As outlined in the separate report on DCCs, there are only minor modifications to the DCCs to fund the new growth related works within the new 10 Year Servicing Plan. Apart from RH(C) and larger lots which have a small increase, total Engineering DCCs are slightly lower for all other land uses.

### **Non-Growth Related Costs**

The primary focus of this report is the growth related works and costs. The non-growth related costs for the utilities are fundable within the context of the 5 Year Financial Plan approved by Council and the longer 10 Year Financial Plan prepared by the General Manager, Finance, Technology & HR Department.

For roads, the non-growth related costs are lower than previously identified. For arterials, this is in large part due to a lower component of the South Fraser Perimeter Road being assigned as a non-growth cost due to the probability that when the project proceeds, it will be largely funded by senior levels of government. For non-arterials, costs are less due to a reduced program of local road repaving being identified. This reduced program reflects what can be more realistically funded and means that local roads will operate at a somewhat reduced level of service in terms of pavement quality. As in previous servicing plans, identified road related costs, primarily pavement rehabilitation, local road sidewalks and City Centre street beautification works, cannot be fully funded within the currently approved 5 Year Financial Plan. Consequently, the Engineering Department will be reviewing road related funding with a subsequent report back to Council.

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