LATECOMER PROCEDURE MANUAL

City of Surrey
Engineering Department

January 2009

CITY POLICY

No. H-25

REFERENCE:		**APPROVED BY:**	COUNCIL
REGULAR COUNCIL MINUTES NOVEMBER 24, 2008 CORPORATE REPORT R224		**DATE:**	JANUARY 1, 2009
		HISTORY:	OCTOBER 3, 2005 FEBRUARY 4, 1991 NOVEMBER 20, 1989

TITLE: EXCESS OR EXTENDED SERVICES – FRONTAGE LATECOMER AGREEMENTS

1. Where the City has required a developer to provide a highway or water, sewer, or drainage facilities that serves or fronts land other than the land being subdivided or developed, this policy shall apply.

2. The Applicant shall pay all the costs of the road, water, sanitary sewer, or storm sewer extension, and may apply to the City to enter into a Latecomer Agreement in accordance with this policy.

3. Under the Latecomer Agreement, the City shall impose a charge on subsequent owners who obtain physical access to, connect to, front or benefit from the extension. Such charge shall be paid to the City who will, in turn, pay the frontender on a semi-annual basis.

4. The City may pay the cost of upsizing the road, water, storm sewer or sanitary sewer systems, or the provision of additional works not required by the Subdivision & Development By-law, subject to funding availability and policy. The developer shall not be eligible for latecomer benefits on any upsizing or additional component of system extensions paid for by Surrey.

5. The cost of the extension used to determine the latecomer charges shall be based on the actual cost of the extension required to serve the frontender's land in accordance with the standards prescribed in the Subdivision and Development By-law No. 8830. The cost of the extension shall only include the following:

   (i) land or rights-of-way acquisition costs (only those incurred outside the Applicant’s land);

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

(ii) actual construction costs;

(iii) design and inspection costs;

all as certified by a Professional Engineer and as agreed to by the General Manager of Engineering.

The General Manager of Engineering reserves the right to request three public tender prices for costs submitted under Section 5(ii).

6. Within the benefiting lands of a Latecomer Agreement, the road, water, storm, and sanitary latecomer charge per metre shall be calculated from the costs of the works determined in Section 5., divided by the total amount of benefiting frontage.

7. All latecomer charges collected by the City, will be paid semi-annually to the frontender. No payment shall be made after the Latecomer Agreement has expired. The total amount paid to any frontender under the Latecomer Agreement during the entire term of the Agreement shall not exceed the total cost of the extension plus accumulated interest minus the frontender share of the costs.

8. All lands that were connected to the City system adequate for the existing Zone and use prior to a Latecomer Agreement are exempt from latecomer charges except where a new or larger connection is applied for.

9. A property owner who already had an existing connection to a road, or already fronted a Municipal main of adequate size and capacity for the intended land use prior to the date of a Latecomer Agreement is exempt from all payments under Section 3 for those works that were already connected unless the property is developed to a higher density.

10. Exempt properties shall not be taken into account when calculating the total amount of benefiting frontage.

11. The latecomer charges shall be escalated by an interest rate prescribed in the Surrey Subdivision and Development By-law No. 8830. The accumulation of interest shall be compounded annually on the anniversary date of the completion of the extension.

12. An owner within the benefiting lands shall pay, at the time of application for connection, a latecomer charge equal to the unit latecomer charge, multiplied by the benefiting frontage for that lot unless waived from the Latecomer Agreement by the Applicant.

13. The Applicant may choose to waive or eliminate latecomer charges for certain lands within the benefiting land. Waived properties shall be taken into account when calculating the total amount of benefiting frontage.

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

14. The term of the Latecomer Agreement shall not exceed 15 years; however, the Latecomer Agreement shall become null and void when all extension costs have been collected and paid to the frontender.

15. No provision of this policy shall be deemed to exempt any land from payment of frontage taxes, development cost charges or any like charges or fees imposed by any by-law of the City.

16. No provision of this policy shall be deemed to be held to limit or restrict the City Council from exercising full jurisdiction and control over the operations of the extended Municipal system, nor shall it exempt any person receiving service thereby from any regulation, order or By-law of the Municipality.

17. If a developer has entered into a Servicing Agreement, or has commenced construction of works prior to the application for Latecomer Agreement, they shall be deemed to have forfeited their right to receive latecomer benefits.

18. The General Manager of Engineering is authorized to adopt a procedure which implements this policy.

19. See the Engineering Department document titled "Latecomer Procedure Manual" for a definition of terms used in this policy.

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

CITY POLICY

No. H-43

REFERENCE:		**APPROVED BY:**	CITY COUNCIL
REGULAR COUNCIL MINUTES NOVEMBER 24, 2008 CORPORATE REPORT R224		**DATE:**	JANUARY 1, 2009
		HISTORY:	OCTOBER 3, 2005 MARCH 27, 1995

TITLE: EXCESS OR EXTENDED SERVICES - AREA LATECOMER AGREEMENTS

1. Where the City has required a developer to provide a sanitary sewer pump station or drainage pump station and/or related appurtenances that serves land other than the land being subdivided or developed, this policy shall apply.

2. The Applicant shall pay all the costs of the Works and may apply to the City to enter into an Area Latecomer Agreement in accordance with this policy.

3. Under the Area Latecomer Agreement, the City shall impose a charge on subsequent owners who obtain benefit from the Works. Such charge shall be paid to the City who will, in turn, pay the frontender on a semi-annual basis.

4. The City may pay the cost of upsizing the Works, or the provision of additional works not required by the Subdivision & Development By-law No. 8830, subject to funding availability and policy. The developer shall not be eligible for latecomer benefits on any upsizing or additional component of system extensions paid for by Surrey.

5. The cost of the Works used to determine the latecomer charges shall be based on the actual cost of the Works required to serve the frontender and benefiting lands in accordance with the standards prescribed in the Subdivision and Development By-law No. 8830. The cost of the extension shall only include the following:

   (i) land or rights-of-way acquisition costs (only those incurred outside the Applicant's land);

   (ii) actual construction costs;

   (iii) design and inspection costs for the works;

   all as certified by a Professional Engineer and as agreed to by the General Manager of Engineering.

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

The General Manager of Engineering reserves the right to request three public tender prices for costs submitted under Section 5(ii).

6. Within the benefiting lands of an Area Latecomer Agreement, the latecomer charge per hectare shall be calculated from the costs of the work determined in Section 5., divided by the total amount of gross developable benefiting area.

7. All latecomer charges collected by the City, will be paid semi-annually to the frontender. No payment shall be made after the Area Latecomer Agreement has expired. The total amount paid to any frontender under the Area Latecomer Agreement during the entire term of the Agreement shall not exceed the total cost of the extension plus accumulated interest, minus the frontender share of the costs.

8. All lands that were connected to City system adequate for the existing Zone and use prior to an Area Latecomer Agreement are exempt from latecomer charges.

9. Exempt properties shall not be taken into account when calculating the total amount of benefiting area.

10. The latecomer charges shall be escalated by an interest rate prescribed in the Surrey Subdivision and Development By-law No. 8830. The accumulation of interest shall be compounded annually on the anniversary date of the completion of the extension.

11. An owner within the benefiting lands shall pay, at the time of Rezone, or Subdivision, or application for connection, a latecomer charge equal to the unit latecomer charge, multiplied by the benefiting area for that lot unless waived from the Area Latecomer Agreement by the Applicant.

12. The Applicant may choose to waive or eliminate latecomer charges for certain lands within the benefiting lands. Waived properties shall be taken into account when calculating the total amount of benefiting area.

13. The term of the Area Latecomer Agreement shall not exceed 15 years; however, the Area Latecomer Agreement shall become null and void when all works costs in excess of the frontender costs have been collected and paid to the frontender.

14. No provision of this policy shall be deemed to exempt any land from payment of frontage taxes, development cost charges or any like charges or fees imposed by any by-law of the City.

* This policy is subject to any specific provisions of the Local Government Act, or other relevant legislation or Union agreement.

15. No provision of this policy shall be deemed to be held to limit or restrict the City Council from exercising full jurisdiction and control over the operations of the extended Municipal system, nor shall it exempt any person receiving service thereby from any regulation, order or By-law of the City.

16. If a developer has entered into a Servicing Agreement or has commenced construction of works prior to the application for an Area Latecomer Agreement, they shall be deemed to have forfeited their right to receive latecomer benefits.

17. The General Manager of Engineering is authorized to adopt a procedure which implements this policy.

18. See the Engineering Department document titled "Latecomer Procedure Manual" for a definition of terms used in this policy.

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1.0 DEFINITIONS

"BENEFITING LANDS" are lands that directly front the extended services and directly benefit from the construction of the works.

"CONSULTING ENGINEER/CONSULTANT" is the professional engineer of record hired by the developer to design and inspect the construction of the extended services.

"DEVELOPER/FRONT ENDER" is the person who constructs the extended services, executes the Latecomer Agreement and represents the Front-End lands shown on the Latecomer Graphic.

"EXCESS CAPACITY" relates to a request by the City to construct water, sanitary sewer and/or storm drainage works above the requirements of the City's Design Criteria Manual, and where upsizing costs are directly paid by the City.

"EXEMPT/EXCLUDED LANDS" are lands that directly front the extended services, but which cannot be assessed a latecomer fee as determined by the City. These may include, but are not limited to, Federal, Provincial, First Nations and Railway lands, plus lands that have previously paid a cash-in-lieu of construction contribution.

"EXTENDED SERVICES" are water, sanitary sewer, storm drainage and/or roadworks which front and directly benefit other lands with development potential and are not included in the City's DCC Bylaw.

"FRONTAGE" means the length of land measured in metres that directly fronts the extended services.

"LATECOMER" is the registered owner of lands that front and directly benefit from the construction of the extended services.

"NON-BENEFITING LANDS" are lands that directly front the extended services, but which have been previously developed or have no future development potential. These may include, but are not limited to, ALR lands, dedicated park, environmental protected lands, and excluded lands as determined by the City.

"SUBSTANTIALLY COMPLETE" is the issuance of a Substantial Completion Certificate by the City.

"WAIVED LANDS" are lands that directly front the extended services, but the Developer has chosen to waive or eliminate from latecomer charges.

2.0 GENERAL

2.1 The City of Surrey provides a number of cost recovery mechanisms to the development industry to partially recover infrastructure servicing costs associated with developing property within the City.

2.2 This manual provides information on the process used for determining and collecting latecomer fees.

2.3 The process flowchart, included as Attachment A, will assist Consulting Engineers and Developers with understanding the essence of the latecomer process.

2.4 Latecomer process applies to extended services required by the City in conjunction with the land development process, building permit or extension of services.

2.5 **All Latecomer Agreements are subject to the approval of the General Manager of Engineering.** The General Manager may approve variations in these procedures for specific circumstances.

3.0 REVIEW / ELIGIBILITY

3.1 Developer/Consulting Engineer requests the City to review the eligibility for a latecomer cost recovery.

3.2 City confirms the Developer is required to provide the extended services, and that the works are **not included** in a DCC Bylaw.

3.3 City has a separate process for excess capacity works, where applicable. The upsizing payment determined by the City is included in a Servicing Agreement and payment is made when the works are substantially complete.

4.0 APPLICATION

4.1 Developer, in conjunction with the Consulting Engineer, applies for a Latecomer Agreement by paying the administration fee and submitting the signed Latecomer Application together with the Latecomer Graphic (Schedule "A"), Latecomer Rate Calculation (Schedule "B"), and Latecomer Summary Table (Schedule "C"). Refer to Attachments B through E. A separate application is made for each infrastructure component.

4.2 Latecomer Graphic includes:

- Scale of 1:2500 using Surrey's GIS base and professional drawing standards
- Extended services - show all works on one drawing

- Benefiting lands including front-end lands (Developer) and waived lands with frontages for each parcel
- Non-benefiting lands including previously developed lands, non-developable lands and exempt/excluded lands with frontages for each parcel.

4.3 Latecomer Rate Calculation includes:

- Total latecomer pre-construction cost estimate
- Eligible costs can include:
  - Actual construction costs
  - Engineering design, inspection and administration (maximum 12%)
  - Independent testing, GST less rebates, land acquisition (excluding fees)
  - Specialist consulting services, where pre-approved by the City
- Ineligible costs include:
  - Legal, planning, and City fees
  - Construction delays and interest or carrying costs during construction
  - Advertising, communication costs
  - Service connection costs
- Total benefiting frontage
- Latecomer rate calculation, which is the total latecomer cost divided by the total benefiting frontage
- Professional Engineer Certification.

4.4 Latecomer Summary Table includes:

- Civic address and legal description of each benefiting parcel, including waived lands
- Frontage for each parcel
- Estimated latecomer charge for each parcel assessed latecomers
- Professional Engineer Certification.

5.0 APPROVAL

5.1 City advises the Developer of approval and references the latecomer application in the Servicing Agreement.

6.0 IMPLEMENTATION

6.1 The latecomer properties are flagged as latecomer application pending in accordance with the Latecomer Summary Table.

6.2 Developer constructs the extended services.

6.3 Consulting Engineer re-submits to the City as built Schedule "A", and certified Schedules "B" and "C" within 90 days of the Building Permit process date for the development.

6.4 City prepares the Latecomer Agreement, complete with the certified schedules, and forwards it to the Developer for execution. It is important to note that **the development Substantial Completion Certificate will not be released by the City until the signed Latecomer Agreement is returned to the City by the Developer**.

6.5 Interest, as determined by the City, is calculated from the date on the Latecomer Agreement.

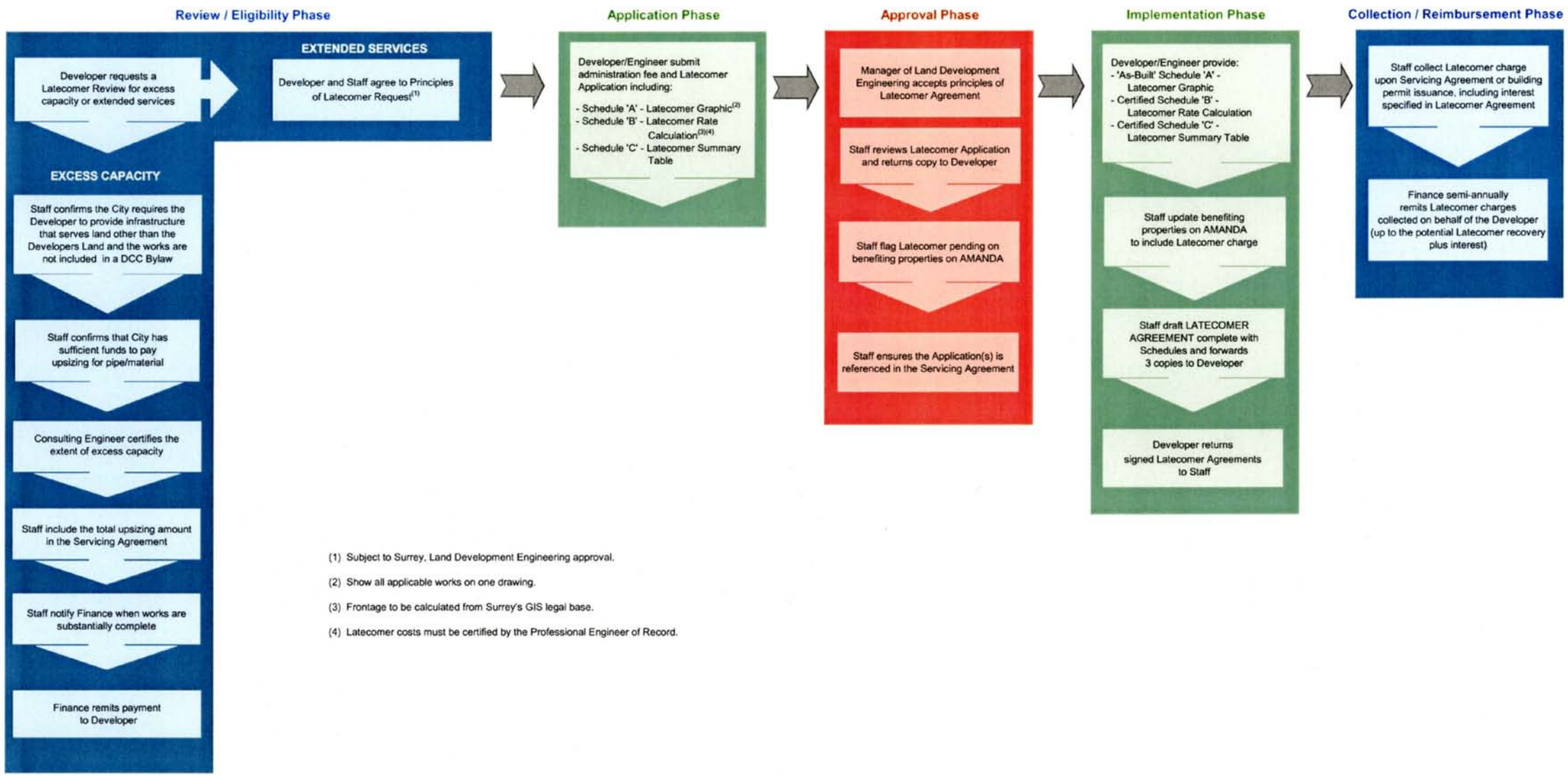
6.6 The latecomer properties are flagged with the certified latecomer charge(s) in accordance with the Latecomer Summary Table(s).

7.0 COLLECTION/REIMBURSEMENT

7.1 City collects certified latecomer charges upon execution of a Servicing Agreement or issuance of a Building Permit on the latecomer properties.

7.2 City forwards, on a semi-annual basis, to the Developer payments collected up to the maximum of the net recovery costs specified in the Latecomer Agreement, plus interest, to the end of the term of the agreement (10 years from the date of the agreement).

Latecomer Process



(1) Subject to Surrey, Land Development Engineering approval.

(2) Show all applicable works on one drawing.

(3) Frontage to be calculated from Surrey's GIS legal base.

(4) Latecomer costs must be certified by the Professional Engineer of Record.

March 2005

LATECOMER APPLICATION

Date: _____

Land Development Project No.: _____

Consultant File No.: _____

Developer: Name _____

Address _____

Phone No. _____

Contact _____

Consultant: _____

Works: ☐ Water ☐ Storm Sewer

☐ Sanitary Sewer ☐ Roads

Summary: Total Latecomer Costs _____

Total Benefiting Frontage _____

Latecomer Rate _____

Signature: Professional Engineer of Record _____ _____

Name Signature

Developer _____ _____

Name Signature

Schedules

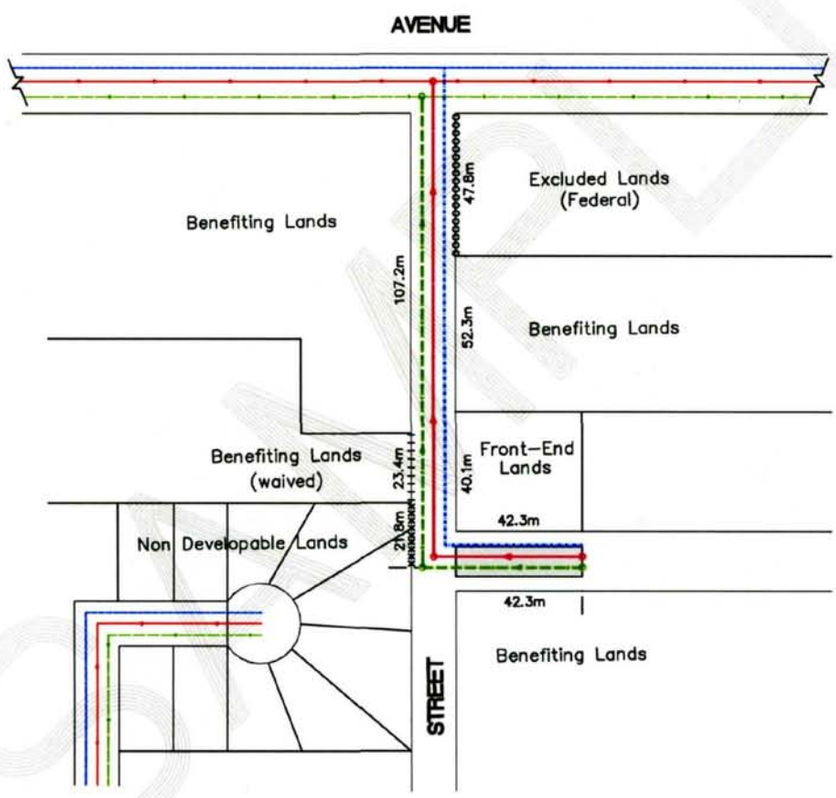
A Latecomer Graphic
B Latecomer Rate Calculation
C Latecomer Summary Table

Notes:

The City of Surrey will consider entering into a Latecomer Agreement subject to:

- Conformance with the City of Surrey Latecomer Manual.
- Approval by the Manager of Land Development Engineering or the Land Development Engineer.
- Completion of the works to the satisfaction of the City, and submission of final certified scope and costs prior to issuance of the Substantial Completion Certificate.
- The entering into a Latecomer Agreement with the City of Surrey.

Schedule "A"
Latecomer Graphic



LEGEND

- Proposed Storm Sewer
- Proposed Sanitary Sewer
- Proposed Water Main
- Existing Storm Sewer
- Existing Sanitary Sewer
- Existing Water Main
- ||||||||||| Waived Lands
- xxxxxxxxxxx Non Developable Lands
- oooooooooooo Exempt/Excluded Lands
- Proposed Road

CITY OF SURREY

Front-End Developer : –
Engineering Consultant : –

SCALE : 1:2000	Land Development File No. –
As Built :	Latecomer Application No. –

SCHEDULE "B"
LATECOMER RATE CALCULATION

Land Development Project No.: _____

☐ Water ☐ Sanitary Sewer ☐ Storm Sewer ☐ Roads

1. Latecomer Costs	**Pre Construction Estimate**	**Post Construction Certified**
A. Construction Costs (attach detailed costs as required)		
Construction Costs		
GST		
Total Construction Costs		
B. Engineering Costs		
Engineering Services		
GST		
City Inspection		
Total Engineering Costs		
C. Other Consultant Costs (attach details as required)		
Other Consultant Costs		
GST		
Total Consultant Costs		
D. Land / Right-of-Way Acquisition (attach details as required)		
Total Land Costs		
Total Latecomer Costs		

2. Frontage	**Pre Construction Estimate**	**Post Construction Certified**
A. Benefiting Lands		
Front-Ender (metres)		
Latecomer (metres)		
Waived (metres)		
Total Benefiting Frontage		

3. Latecomer Rate

$$\text{Latecomer Rate} = \frac{\text{Total Latecomer Costs}}{\text{Total Benefiting Frontage}} =$$

By affixing my seal and signing below, I _____ certify, represent and warrant that the information and calculations set out herein are correct. I also acknowledge and agree that the City of Surrey may rely on the information and calculations set out herein.

Professional Engineer Certification / Seal

_____ _____

Professional Engineer Signature Date

SCHEDULE "C"
LATECOMER SUMMARY TABLE

			Pre-Construction Estimate			Post Construction Certified		
Parcel	**Civic Address**	**Legal Description**	**Waived Frontage**	**Latecomer Frontage**	**Latecomer Charge**	**Waived Frontage**	**Latecomer Frontage**	**Latecomer Charge**
1								
2								
3								
4								
5								
6								
7								
TOTAL								

By affixing my seal and signing below, I _____ certify, represent and warrant that the information and calculations set out herein are correct. I also acknowledge and agree that the City of Surrey may rely on the information and calculations set out herein.

Professional Engineer Certification / Seal _____ _____

Professional Engineer Signature Date

City Records / Data Entry

Application Pending Flag

Entered by:

Date:

Certified Agreement

Entered by:

Date: