



Corporate Report

NO: L010

COUNCIL DATE: December 18, 2006

REGULAR COUNCIL - LAND USE

TO: **Mayor & Council** DATE: **December 11, 2006**
FROM: **Acting General Manager, Planning and Development** FILE: **6520-20**
General Manager, Engineering (Hazelmere)
SUBJECT: **Request to Initiate a Neighbourhood Concept Plan Process for the
Hazelmere Area of Surrey – "Hazelmere Heights Neighbourhood"**

RECOMMENDATION

It is recommended that Council:

1. Receive this report as information; and
2. Direct staff to notify the proponent of the "Hazelmere Heights" proposal that this proposal is premature and that the City will not proceed with a Neighbourhood Concept Plan ("NCP") process for the Hazelmere area at this time, for the reasons outlined out in this report.

INTENT

The purpose of this report is to advise Council of a request received from BFW Developments Ltd. to proceed with an NCP process for the Hazelmere area of Surrey. The area of the application is shown on the map attached as Appendix "A". The background study proposal and petition request letter is contained in Appendix "B".

This report provides an assessment of the application and makes recommendations for Council's consideration, based on:

- The City's existing policy framework;
- Planned NCP capacity to accommodate future residential growth;
- Servicing requirements and constraints associated with the subject area; and
- Staff resources.

BACKGROUND

On July 20, 2006, Council considered Corporate Report No. L008 (attached as Appendix "C"). That report considered requests from proponents who wished to proceed with NCP planning processes, primarily in the Grandview Heights area, and assessed these requests within the context of plan processes currently underway. It also evaluated the requests in the context of current policy, servicing and financial implications, planning rationale and the City's resource limitations. In considering Corporate Report No. L008, Council passed the following resolutions:

"Direct staff to bring forward a terms of reference for the preparation of an NCP for each of:

- a. Grandview Heights Area #3;*
- b. Grandview Heights Sub-Area #5a;*

with these NCP processes commencing following approval by Council of the completed Stage I component of the Grandview heights Area #2 NCP;

Direct staff to bring forward a terms of reference for the preparation of an NCP for Grandview Heights Area #4, subject to the proponents agreeing to:

- a. pay the costs for construction and maintenance of all interim engineering services required for opening the area to development (such costs are not eligible for DCC rebates);*
- b. pay to the City, all costs the City incurs in retaining consultants for studies and plan preparation work in support of preparing the subject NCP;*
- c. the NCP planning process commencing when the Stage I component of the NCP for Grandview Heights Area #2 has been completed and approved by Council; and*

that condition 3(a) and 3(b) be incorporated in an agreement, prior to the commencement of the NCP process".

On August 10, 2006 staff received a formal request from BFW Developments Ltd. "on behalf of property owners in the area" to initiate an NCP for a 670 acre area of Hazelmere, bounded by Zero Avenue to the south, the Langley Border to the east, and the Agricultural Land Reserve ("ALR") boundary to the north and west. Additional signatures in support of the application, as well as letters in opposition, have been received since that time. Two property owners who wrote in opposition to the NCP process live within a strata development, which was not included in the original petition, although this strata development is centrally located within the proposed Hazelmere Heights area.

The City has received signed petitions of support representing 54.6% of the landowners in the subject area (representing 59.1% of land, including the strata property). However, only 44.0% of the property owners (representing 53.4% of the land area) support the density proposed by BFW Developments Ltd., which is a maximum of two units per acre. The remaining supporters of an NCP process only support a density of one unit per acre.

The Official Community Plan ("OCP") requires a commitment from the area to consider a secondary plan process. This commitment is defined as a petition representing 51% or more of the landowners or owners of 70% or more of the land in the area.

The formal NCP request was accompanied by a preliminary report by New East Consulting Services Ltd., regarding the potential servicing of the area.

DISCUSSION

As noted above, the proposed NCP for the Hazelmere Heights area includes a triangle of land in the southeast corner of the City, bordered by the City of Langley to the east, the United States border to the south (Zero Avenue) and the ALR to the north and west. The NCP request encompasses approximately 670 acres (271 hectares).

The Hazelmere Heights area, while outside of the ALR, is designated "Agricultural" in the Official Community Plan. The zoning is primarily "A1 – Agricultural", which provides for agricultural uses on lots that are a minimum of 2 hectares (5 acres) in area and to protect agricultural land from the intrusion of uses not compatible with farm operations. There are two lots, totalling 1.5 hectares in area, that are zoned "RA – One Acre Residential". There are approximately 75 properties in the subject area, which range in size from 1.5 acres to 47 acres. The Hazelmere area is a green and rural area of Surrey, characterized by rural residences, farming activities and wooded areas with several streams. The area's high point of 125 metres above sea level is near 196 Street and Zero Avenue. The area slopes down northwards towards the ALR boundary.

Proposed Concept

The proposal submitted by BFW Developments Ltd. states the following:

"Hazelmere Heights will become Surrey's premier community. It will be a self-contained green designed "Rural Village" located outside of the ALR, which will rival Langley's High Point development. Development of Hazelmere Heights will provide new housing choices by replenishing a dwindling supply of suburban housing traditionally available in South Surrey".

It is noted that the dwindling supply of suburban housing is partly due to land economics. The costs to service an area, especially if it is remote, can put pressure on suburban areas to become urban in order to be financially feasible.

The proponent also states that the development of this NCP will help to reduce the pressure to develop farmland and will provide a landscaped buffer adjacent to the ALR

boundary, although a width for this buffer has not been specified. The proposal suggests that green infrastructure and Build Green Canada certified houses would be built, and that green streets would be designed to handle storm runoff.

Petition Submission

The eligible signatures that have been submitted, to date, by BFW Developments Ltd. indicate that 54.6% of the landowners in the 670-acre area (representing 59.1% of the land) support proceeding with an NCP process.

Of the proposed 670-acre NCP area, it is noted that 112 acres are included in a strata ownership. The strata, shown on the map included in Appendix "A", consists of 20 different units, but in effect, only one "lot". The application has indicated that the unanimous consent of all owners within this strata would be required before the area could be included in an NCP process, therefore this 112 acre strata was not originally included within the petition submission. However, with the receipt of two letters from strata property owners voicing their opposition to this NCP proposal, the strata area has been included in the overall petition calculation.

Of the 41 landowners supporting an NCP process, there was a difference in preference between owners who prefer to retain densities of one unit per acre and those owners who wished to have the density increased to two units per acre.

- Eight (10.6%) of the property owner's signatures, representing 38.6 acres (5.7% of the land area), support an NCP that designates a minimum lot size of one acre; and
- 33 (44.0%) of the signatures, representing 360.0 acres (53.4% of the land area), support a density with a maximum of two units per acre.

While the proponent does not appear to have an adequate petition to support an NCP process to create a density of two units per acre, the petition meets the minimum requirement for support from land owners to request an NCP process.

Existing Policy Framework

Corporate Report No. L008 (Appendix "C") outlines the rationale for approving the commencement of new NCP processes. It notes that NCPs are generally based on approved general land use plans that identify neighbourhood units for the purpose of preparing detailed NCPs. Usually these phasing plans are based on the expected timing and phasing of City engineering services and infrastructure and provide for a logical progression of development so as to manage growth in an orderly manner. Opening too many development sites at one time can result in inefficient use of the City's resources.

An NCP process will need to consider public amenities and services, such as schools, parks, transit and other facilities. However, the density proposed and the remote location of the area, may not support additional amenities in the area and the new residential community, if approved, will depend on these amenities and services.

The Hazelmere proposal is not within a general land use plan area and does not have a policy framework to guide the development of an NCP.

Planned NCP Capacity to Accommodate Future Residential Growth

Surrey's OCP stipulates that capacity in urban areas is to be sufficient to accommodate projected growth over a three to five year period and that when residential capacity is less than five years of anticipated growth, the City should begin planning for new capacity.

As outlined in more detail in Corporate Report L008 No. (Appendix "C"), the recently completed annual review of the OCP identified that, traditionally, approximately 60% of residential growth in the City of Surrey is accommodated in NCP areas. This means that there has been a demand for approximately 2,400 new units per year in new NCP areas, or a projected total demand for 12,000 units over the next five years. The calculation conducted for the OCP review presented to Council in Corporate Report No. C017 (July 10, 2006) identified that the approved NCPs provide a capacity of about 19,000 units, including those in various stages of the approval process, which are sufficient to meet the anticipated demand for the residential growth expected beyond 2014. In addition, Council has directed staff to proceed with three additional NCPs in the Grandview Heights area, which will provide for the addition of up to another 6,100 units.

It is noted that the Grandview Heights area, as well as the South Port Kells and the Clayton General Land Use Plans, have preserved a number of areas for the retention and enhancement of areas for suburban development within the General Land Use Plan areas.

The NCP capacity in existing, imminent, and potential NCP areas exceeds growth targets outlined in the OCP and does not support the need to introduce new NCPs outside of general land use plan areas, in areas now designated for Agriculture in the OCP.

Servicing Requirements

As the Hazelmere area is not part of a larger general land use plan framework, no work has been undertaken to consider the timing and phasing of City engineering services to this area. Servicing for the Hazelmere area is not included in the Ten Year Capital Plan, nor is it planned to be considered in the next review of the capital plan.

As identified in the petition and submission by BFW Developments Ltd., the services would need to be extended a considerable distance and at considerable costs. Surrey Engineering Department staff have reviewed the preliminary serving proposal and have concluded that the very preliminary information submitted is based on overly optimistic assumptions about the servicing systems and has over simplified the servicing requirements, including the following:

- In general, the costs are underestimated. The unit rate for water pipes that is applied in the proponent's report is lower than the rate currently used;
- The extension of water pipes will need to go through other NCP areas and is, therefore, dependent on the timing of the development of other NCPs. The services would be extended sequentially within the approved general land use plan areas (i.e. Grandview Heights and Campbell Heights) before being further extended to serve the Hazelmere area. This may be several years in the future;

- The water pipes to which the Hazelmere area are proposed to be connected are not currently sized to accommodate Hazelmere, even with the proposed upgrades being considered through other NCP areas. This increase in size has to be extended all the way to the Grandview Reservoir, located at 24 Avenue near 167 Street, which is considerably longer than the one kilometre extension cited in the report. The additional cost to increase the size of these pipes would be borne by this proposed NCP area;
- As this area is outside of the Fraser Sewer Area, the consent of Council and the Greater Vancouver Sewer and Drainage District ("GVS&DD") are both required in order to support an extension;
- In order to connect this proposed development to the regional sewer system there would be a need to go through several pump stations and a siphon. It has been the experience of the Engineering Department staff that this type of relay system and the extensive length of sewer pipe proposed will lead to significant odour issues;
- Currently, there is no Master Drainage Plan ("MDP") or any other high level drainage planning study for this area. The City's drainage planning staff are initiating an Integrated Stormwater Management Plan ("ISMP") scoping study of the area as a first step in developing an understanding of the Little Campbell River Watershed. Following this study, ISMPs will be developed to help evaluate potential impacts of land use changes and realistic mitigation measures. Since there is no existing MDP for the area, new NCPs within the Campbell River watershed should not proceed prior to completion of the scoping study and initiation of corresponding ISMPs;
- The drainage aspect of the plan has not been analysed in the proponent's background report. The recommended mitigation measures are not detailed enough to be considered at this point; and
- The Hazelmere area is remote from transit service and the density proposed is not transit supportive. All other community services and amenities are located outside of the area. Residents in Hazelmere will need to access services and amenities by car, which may overburden the existing road system with the additional density proposed.

In general, the proposed Hazelmere Heights NCP is remote from existing services, requires lengthy extensions of pipes with potentially compromised results (such as odour), is dependent on other approved NCP areas being developed first, requires approval from the GVS&DD for additional sewer service, and shifts priorities for conducting drainage studies.

While the proposal does set out a suburban form of development that differs from the more complete communities now being proposed by most NCPs, the costs and difficulties of extending services to this area is not considered to be in the best interest of the City. Furthermore, as indicated above, we believe that the proponent appears to have underestimated the complexity and costs of providing and extending the engineering services and this may prove that the proposed half acre development is economically unfeasible. Requesting urban development at higher densities, to pay for higher than anticipated servicing costs, would likely result.

Staff Resources

As part of the deliberation of Corporate Report No. L008 (Appendix "C"), Council considered the available staff resources to be committed to existing NCP process. The conclusion reached and supported in the resulting resolution was to approve the commencement of three new NCP processes after a Stage 1 approval is reached on Grandview Heights Area #2 NCP.

The anticipated NCP processes, as well as other corporate priorities that council has directed staff to do, including the City Centre Plan update and the Industrial land strategy, will fully commit the City's staff resources for some time. The proponent may claim that consultants will be retained to undertake the NCP preparation process. However, significant amount of staff resources from Planning and Development, Engineering and Parks, Recreation and Cultural Services Departments will still need to be devoted in project management, report review, public consultation and other matters. Allocating any remaining staff resources to this project, which does not provide clear benefits to the City as a whole, is not advisable.

CONCLUSION

Council has identified potential NCP processes to be considered in the next several years to ensure that there is adequate residential development capacity. The proposal for conducting the Hazelmere Heights NCP does not have adequate support on the petition for the density proposed (two units per acre), is not within a general land use plan, will likely need to develop at urban densities to be financially feasible, and does not have a policy framework established to guide an NCP process. This proposed NCP is not required to meet growth target needs as outlined in the OCP, is remote from existing services, is costly to service, will stretch already limited staff resources, and is in advance of preliminary and detailed drainage studies to analyze impacts. In this context, the petition to commence an NCP process in Hazelmere is considered premature and is not supported at this time. It is therefore recommended that Council Direct staff to notify the proponent of the "Hazelmere Heights" proposal that the City will not proceed with an NCP process for the Hazelmere area at this time.

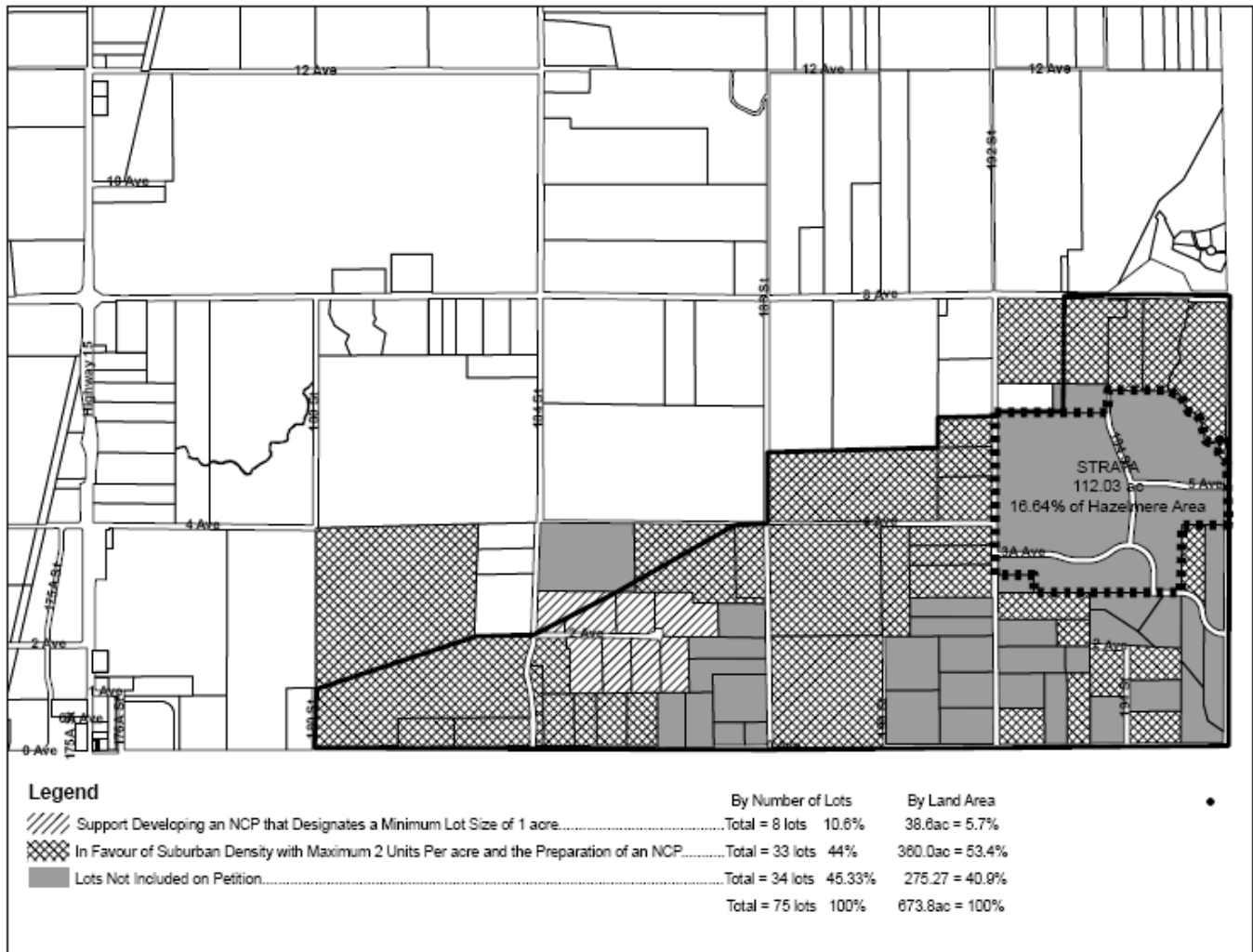
How Yin Leung
Acting General Manager
Planning and Development

Paul Ham, P. Eng
General Manager, Engineering

LG/kms/saw

Attachments:

Appendix "A"	Map of Hazelmere Petition Area
Appendix "B"	BFW Developments Ltd. Request to Commence Hazelmere NCP Process
Appendix "C"	Corporate Report No. L008 - New Neighbourhood Concept Plans





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2006-08-08
W. [Signature]
LBW 20#
August 8, 2006

City of Surrey
14245 - 56th Avenue
Surrey, BC V3X 3A2

Attention: **Judy McLeod, Long Range Planning**
Lynn Guilbault, Acting Long Range Planner

Dear Madame:

RE: NCP Preparation for the 690-acre Hazelmere Area
Bound by 0 Ave., Langley Border & the ALR Boundary

We would like to make a formal request, on behalf of the majority of residents in the area, to initiate a Neighbourhood Concept Plan for the above noted area.

NCP Preparation

We understand that staff has a heavy workload so we are proposing that this NCP be prepared by consultants. If staff prepares the Terms of Reference with a provision for an overall density of 2 units per gross acre, we will pay the costs to source out the preparation of a plan and report by utilizing engineering and planning consultants, including retired Surrey planning staff. We will allow the City to pick the appropriate consultants.

The cost for preparation could be recovered under the current planning policy of charging a NCP fee at the time of application.

It is the goal of the existing residents to have a plan prepared that reflects their desires for the area. The residents will form the appropriate steering committee to work with a planning consultant approved by the City.

The City approved engineering consultant will coordinate a storm water review of the area, obtain approval from DFO, the school district, parks, fire, police and most importantly engineering and planning staff.

Since the infrastructure costs will be self-contained to the area of development with no financial support from the City other than the DCCs generated in the area, the review time for the NCP report by City staff should be greatly reduced. We will also provide the framework for any Development Works Agreements required.

Neighbourhood Support

To-date we have held three meetings with the residents. **See Schedule "A" for the list of residents, their addresses, property locations, and status on development in the area.** A majority of the residents will support a new land use plan and development in the area if they

have some "meaningful input" into the process. This is extremely important to the residents because most intend to continue living in the area.

Benefits of a Planned Development for Hazelmere Heights

Hazelmere Heights will become Surrey's premier community. It will be a self-contained green designed "Rural Village" located outside the ALR, which will rival Langley's High Point development. Development of Hazelmere Heights will provide new housing choices by replenishing a dwindling supply of suburban housing traditionally available in South Surrey.

The development of Hazelmere Heights will help reduce pressure to develop valuable farmland by increasing the supply of residential units on non-agricultural land. It is our plan to reinforce the ALR boundary with a "Green Ribbon Buffer" running parallel to the ALR boundary so there is no erosion of the ALR boundary. This landscaped buffer will reinforce protection of the ALR and also provide a public amenity with the development of a multi-use pathway system within the buffer. An approved "Suburban" NCP will provide comfort for the existing land owners by reinforcing protection of the ALR, limiting the density in the area, and through registered Building Guidelines provide the certainty they expect for future housing.

Although, it is admirable that Surrey has chosen to increase density in so many areas, many people still prefer to live outside of the urban areas. Development of the Hazelmere Heights will provide housing for those who do not wish to live within an urban town centre.

We believe that facilitating a planned development in Hazelmere Heights will provide greater predictability regarding future land use changes for residents – even for those who do not support development. Those who do not wish to develop their land may still have their voice heard by participating in the neighbourhood planning process in order to identify ways to mitigate the impacts of construction and development upon their land and lifestyle.

Proper planning today can lay the foundation for tomorrow's infill development if increased density becomes necessary. Suburban densities that are supported by current marketplace and area residents may be replaced by higher-density development as the South Surrey area continues to develop in the future. Good planning in the suburbs today can facilitate infill development and reduced pressure to encroach on our valuable ALR-protected farmland.

Building Green

Our mission is simple: transform Hazelmere Heights into Surrey's first "Truly Green Neighbourhood" with Build Green Canada certified houses. Each home in Hazelmere Heights will be rated to a standard set through Natural Resource Canada's EnerGuide for New Houses. The standards for rating the energy efficient component of the Built Green Checklist is set by CHBA-BC and a licensed third-party consultant (a Certified Energy Advisor) inspects each finished house prior to possession of the house. By allowing a "Build Green" neighbourhood, Surrey will be making a choice to protect the environment for the future by influencing the direction of development towards the use of new technologies and materials.

Besides energy efficient houses, it will be our goal to build a neighbourhood with green streets and new lots that handle the storm sewer runoff so there is zero impact on the downstream storm catchment areas. This green street standard can be achieved by establishing a limit on density with the average lower density of 2 units per acre.

Our team of architects, engineers, and analysts will develop solutions to create energy efficient houses, yards, and streets, which will provide a reduced cost for home ownership and City maintenance.

Our houses will be energy and water efficient. The indoor environment for the residents will out perform other housing in air quality, thermal comfort and energy efficient lighting. Our houses will better manage waste and air emissions. With a lower density and more green space there will be less site disturbance and better storm water management. Our builders will also establish homes, which focus on longevity by utilizing more durable material while adapting to a changing environment.

Some of the strategies we will use to achieve house high performance include:

- Thermally efficient roofs, walls and windows that reduce heating loads and enhance thermal comfort.
- Building shape and orientation, thermal mass and day lighting strategies that reduce cooling loads.
- Efficient electrical lighting strategies that reduces cooling loads.
- Water efficient supply and waste fixtures.
- House designs that adapt to the outdoors and access to daylight.
- Interior finishes and installation methods, which lower emissions.
- Landscaping strategies that require little or no irrigation, permit groundwater replenishment and provide on-site storm water management.

Investment in Infrastructure

If planned development were to be approved in Hazelmere Heights, BFW is willing to front-end the costs to extend water so both the new and existing homes have fire protection and also extend sanitary sewer to the area so the existing septic systems can be abandoned. We propose that all benefiting properties pay their fair share for services when properties receive subdivision/rezone approval, by incorporating Development Works Agreements for both the extension of water and sewer to the area.

Also, the "Rural Village" setting will allow the area to incorporate a "Green Street" design to handle storm water run-off so there is little to no impact on the natural downstream waterways.

Conclusion

A planned development of Hazelmere Heights would provide economic, environmental and social benefits to the community. Economic benefits would result from stimulating employment in the area and increasing property tax revenues to the City. Environmental benefits would include provision of municipal services, integrated storm water management and protection of farmland. Social benefits would include increasing housing choice, supply, and creating a larger population base to support amenities and community services far into the future. We therefore ask that you consider Hazelmere Heights as a potential development area and support our request for the immediate preparation of a "Suburban" Neighbourhood Concept Plan.

Included in our submission is the following information:

- 1) Formal Request to initiate Surrey's first "Suburban" Neighbourhood Concept Plan.

- Included are signed Survey of Support from the residents. The signed survey indicates **56.8%** in-support for the preparation of a NCP (**Support represents 74.1% of the area**), **10.8%** not in-support for the preparation of a NCP (**Not in-support represents 5.0% of the area**), and **32.4%** did not respond to the survey (**No response represents 20.9% of the area**).
- Prior to sending the survey to the residents we contacted everyone and obtained their consensus regarding the preparation of a NCP. Initially the response was as follows:
62.2% in-support for the preparation of a NCP, **21.6%** not in-support for the preparation of a NCP and **16.2%** did not respond.
- We have also included a map of the area with the location of residents along with their status regarding support for the project.
- Since 100% consensus is required for modification to an existing strata complex, we have not included the 106-acre strata area in the calculations. Once work starts on the NCP it is our believe most if not all of the strata residents will request inclusion into the NCP.

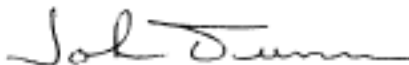
2) Report on Economic Benefits to the City if the Hazelmere Area Develops
Report prepared by New East Consulting Ltd.

- The report provides a servicing overview of the trunk services (water & sanitary sewer) required for the area to develop.
- The report researches the financial impact on the City if this area was allowed to develop. The summary reviews DCCs and GVS & DD fees payable, amenity contributions, and a rough review of municipal property taxes payable.

We would therefore request that you forward our request to Council for their consideration. If you have any questions please contact the undersigned at 604-532-6060, ext 31.

Yours truly,

BFW DEVELOPMENTS (HAZELMERE) LTD.



John Turner
Land Development Manager

CC: Mayor and Council



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August 4, 2006

Our File: 0677-01-2

Mr. John Turner
BFW Developments Ltd.
Suite 100, 20120 - 64th Avenue
Langley, BC V2Y 1M8

Dear John,

Re: Hazelmere Heights Development

Development Area

The development is bounded by Zero Avenue to the south, Agricultural Land Reserve (ALR) boundary and 8th Avenue to the north, 180th Street to the west and 196th Street to the east. The total area is approximately 690 acres including 155 acres of strata with 30 large lots. There are two major land owners, BFW Development Ltd. and Hazelmere Golf and Tennis Club own approximately 90 acres and 50 acres respectively. The two major owners and other owners are planning to develop approximately 530 acres into half acre gross density residential development (up to 1,380 RHG Lots) after OCP amendment.

Topography

There are numerous red and yellow coded streams within the proposed development area. Several valleys are formed by Jenkins, Highland, Kuhn and Theodore Creeks. The highest ground within the development area is 125m in geodetic elevation and is located around 196th and Zero Avenue. The lowest lands are located along the ALR boundary and ranges between 20m to 22m geodetic elevations. The proposed development lands slope down to the North West direction. The attached map shows the development boundary; contour limits, existing roads and fisheries water course classification.

Arterial and Major Collector Road Requirements

There is a reasonable existing arterial road network consisting of Zero and 8th Avenues, and 184th and 192nd Streets. Some major collector roads need to be constructed depending on the proposed layout. Creek crossing for road construction will be a challenge to meet the DFO's requirements.

Drainage and Stormwater Management System Requirements

Maintenance of pre-development flow regime after development erosion and siltation control and water quality and temperature preservation will be the major issues to resolve. The use of drainage swales with french drains instead of conventional storm sewers is recommended, subject to detailed examination of the sub-strata conditions and City's acceptance.

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Water Supply and Distribution System Requirements

At present, there is no municipal water supply available within the close proximity of the development area. The most cost-effective solution would be to install a communal water supply well system and utilize the Township of Langley High Point Reservoir. The communal wells will feed the High Point Reservoir and a dedicated transmission line will feed the distribution system within the development area. This solution, in addition to the complexity of inter-municipal servicing, was not favoured by the City of Surrey as dual sources of supply will be involved.

The alternative would be to draw entirely from the existing system within Surrey located at 4th Avenue and 180th Street. With the anticipated upgrade by the City and extension under this development, this supply point can provide the applicable fire flow (120 l/s) and domestic demand to the western extremity of this proposed development. A pump station of 250 horsepower rating, together with an internal feeder main to cover the entire development, will be required. (See report attached)

This system could become more cost-effective by utilizing a smaller pump station together with a reservoir at the high point at the eastern extremity. This alternative has the added advantage of reducing the demand on the City's system in having a local fire supply which would also tide over short term interruption to the supply source.

A further alternative of drawing water from the Grandview Heights/Campbell Heights trunk along 24th Avenue was also examined. Because of the much longer supply main, this alternative is not expected to be cost-effective.

Sanitary Sewer System Requirements

Two options have been explored:

1. Douglas and Semiahmoo Pumping System, and
2. Campbell Heights Pump Station

The first option has been ruled out as both the pump stations are at their capacity. The second option is more viable as there is limited excess capacity.

However, the Campbell Heights Pump Station located at 192nd Street and 21st Avenue was built to serve the industrial lands in Campbell Heights which would have priority for the excess capacity. In addition, it discharges to the GVSDD trunk at 54/188 on an interim basis until the ultimate pressure mains are installed along 40th Avenue near 192nd Street and along 184th Street from 40th Avenue to 54th Avenue. Furthermore, while the upgrading/provision of both of the above-mentioned trunk systems are covered under the Campbell Heights DCC, they have not been sized to cater significant additional load from areas outside Campbell Heights.

To make use of this system, the subject development would probably be required to provide the additional capacity (upsizing) in addition to front-ending the accelerated construction of the next phase of the DCC work comprising the installation of this ultimate pressure main along 40th Avenue and 184th Street and the upgrading of the pump station at 192/21 and its forcemain.

The fully developed sewage to be pumped out is estimated to be 33.5 litres/second (at 2x average flow). The designed capacity of the 192/21 pump station and its discharge

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system is 54 l/s based on the observed flow from Port Kells Industrial Area. Initial feeling is that the Campbell Heights Industrial Area could generate less sewage and this is subject to actual monitoring results. The current design capacity has a surplus of 14 l/s which is expected to be used to serve other industrial areas south of 28th Avenue. Optimistically, there could well be more available capacity that could be utilized by this proposed development.

It is therefore suggested that the following approaches should be offered to the City to convince them that sewage from this development could be discharged into the 192/21 pump station:

- BFW undertakes to upgrade/implement the DCC work under a Front-ending Agreement to the capacities required under the Campbell Heights Industrial Area Servicing Plan.
- BFW undertakes to upsize the DCC components under a Servicing Agreement to cover the incremental increase in capacity requirements resultant from this development.
- In return, BFW will be allowed to utilize the currently identified uncommitted capacity of 14 l/s or such additional excess capacity as further identified through actual monitoring and projection of the sewage discharge generated.

Order of Magnitude Trunk Servicing Costs

Without the proposed roads layout and environmentally sensitive area preservation requirements, it is difficult to estimate the servicing costs. At this time, we are only able to estimate an Order of Magnitude Costs for the water and sanitary sewage services as shown below:

Offsite Water Servicing Cost;

Full Pumping System

Supply main – 1,000 metres of 350 mm	\$400,000
Pump Station	<u>\$2,500,000</u>
Total cost	\$2,900,000

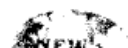
Reduced Pumping + Reservoir System

Supply main – 1,000 metres of 250 mm	\$300,000
Pump Station	<u>\$1,000,000</u>
Reservoir (6 hour fire flow)	<u>\$1,000,000</u>
Alternative total cost	\$2,300,000

Off-site Sanitary Sewage Servicing Costs

Pump Station (33.5 l/s)	\$1,600,000
Forcemain to 192/21 C H Pump Station	<u>\$1,700,000</u>
Total cost	\$3,300,000

Other Commitments, Front-ending DCC work



Mr. John Turner
August 4, 2006
Page 4

C H Pump Station	\$300,000
Forcemain	\$1,000,000
C H Pressure Main along 40 Av. and 184 St.	\$2,000,000
Total commitment	\$3,300,000
Other Commitments, Upsizing DCC work to a maximum of additional 33.5 l/s	
C H Pump Station	\$600,000
Forcemain	\$1,000,000
C H Pressure Main along 40 Av. and 184 St.	<u>Minimal</u>
Total commitment (max.)	\$1,600,000

Benefits of Development

It is anticipated that this proposed development will bring significant financial and economic benefits to the City. (See notes attached)

The direct financial benefit will include

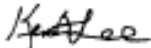
- Municipal DCC collection at existing rates \$30,000,000
- Amenity contribution \$6,210,000
- Gross property tax at 2006 level \$5,700,000/year

Concluding Remarks

We have provided a servicing concept and the order of magnitude water and sanitary offsite costs and anticipated financial benefits based on very limited information available to us. If you have any further information, please let us know so that we can update our report.

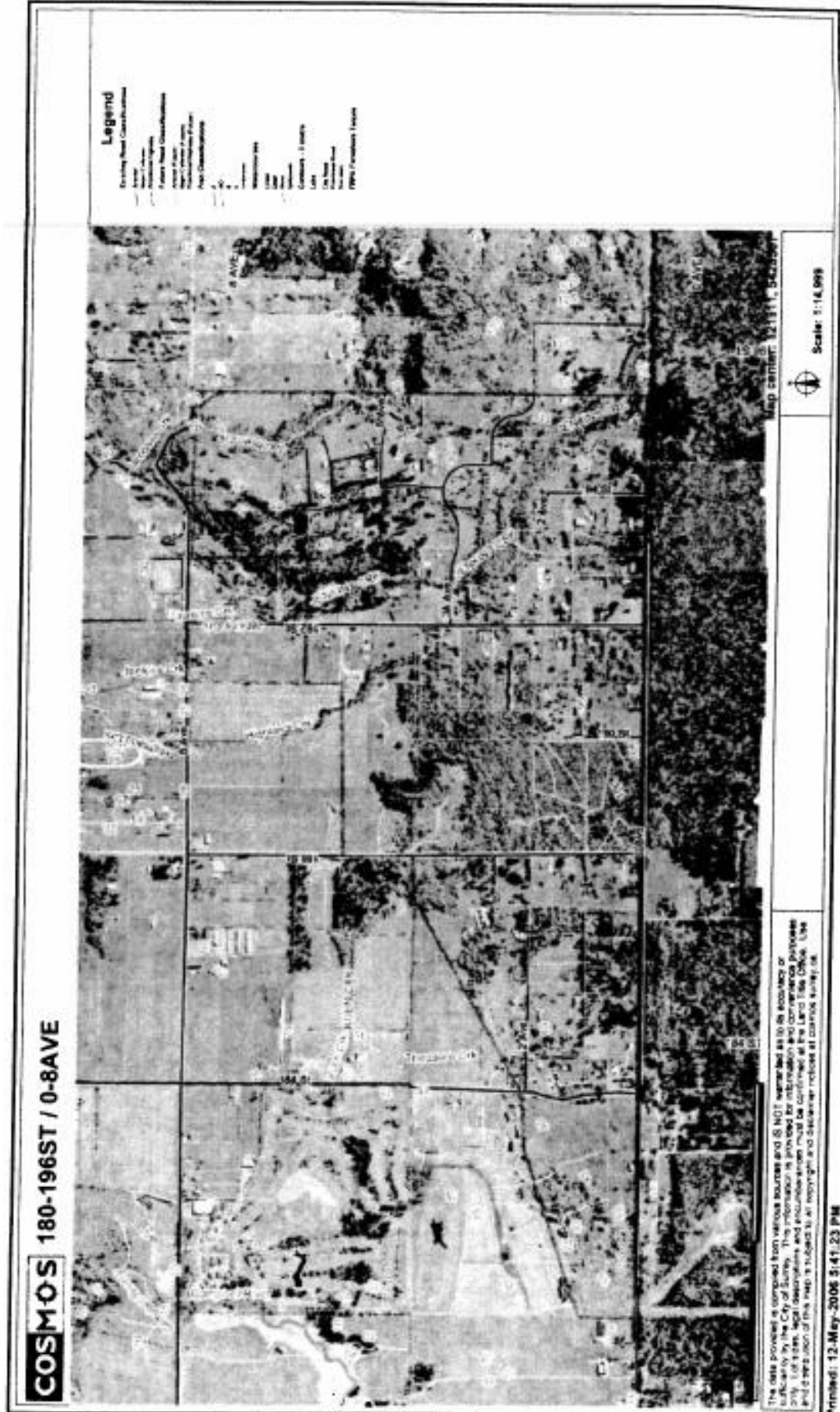
Yours truly

NEW EAST CONSULTING SERVICES LTD.



Ken Beck Lee, M.Sc., M.Eng., P.Eng.
Principal

Attachment



August 4, 2006

Report on Economic Benefits to City

Proposed NCP

Hazelmere Heights Neighbourhood Area, Surrey

1. Introduction

The Hazelmere Heights Neighbourhood has an area of approximately 690 acres located south of the existing ALR boundary and south of 8th Avenue, as shown in the attached Plan 1. The Area is substantially zoned A-1 Agricultural.

Implementing an NCP process for the Hazelmere Heights Neighbourhood Area of Surrey would result in major economic and social benefits to the City of Surrey and to the surrounding neighbourhood in terms of additional DCC revenue, additional taxes and contributions to community amenities. These additional benefits would not be available if the Hazelmere area was left in the A-1 Zone. Also, experience has shown that areas without an overall neighbourhood plan, eventually develops over time on a piece meal basis. This un-planned, incremental development sometimes results in many land-use conflicts and expenditure of additional general tax funds to correct local servicing problems.

The following general analysis for additional DCC, tax and community amenity benefits is made based on available preliminary information. The final additional benefits could be greater or lesser than estimated, depending on the final NCP plans approved by the City of Surrey. As a general assumption for estimation purposes it is assumed that the NCP would support designating all of the 690 acres in Hazelmere Heights Neighbourhood Area would yield 1,380 RH-G half-acre lots from the existing 64 conventional lots and strata lots in the remaining developable area.

2. DCC Benefits

Current municipal DCCs rates areas follows:

Water	\$ 1,871	
Sewer	1,979	
Arterial Roads	8,595	
Major Collector Roads	2,120	
Drainage	5,952	
Parkland Acquisition	<u>2,619</u>	
Sub Total	\$ 23,137	per RH-G lot

Current GVS&DD DCC rate is \$ 1,731 per dwelling unit

Current School Site Acquisition rate is \$ 647 per residential unit

DCCs are payable upon subdivision or building permit approval. For subdivisions, DCCs are charged based on the total number of additional lots created in a development, less the number of existing lots. As shown in Plan 1, there are approximately existing 64 conventional lots and 29 strata lots in the developable area of Hazelmere. An ultimate development would result in 1,287 lots RHG lots (1,380 new lots – 93 existing lots) would be paying additional DCCs to the City of Surrey (plus GVS&DD and School District) as follows:

Total Municipal DCCs	=	1,287 lots x \$23,137 per lot =	\$29,777,319
Total VGV&DD DCCs	=	1,287 lots x \$1,731 per lot =	2,227,797
Total School Site Acquisition Charges	=	1,287 lots x \$647 per lot =	<u>832,689</u>
Total DCCs Payable			= \$32,837,805



3. NCP Area Amenity Contribution

As part of NCPs funding arrangements are made for the provision of community facilities, amenities and services, such as park development, police, fire and library materials. Amenity rates are adopted by Council in Surrey's Zoning Bylaw. The amenity contributions are payable upon subdivision or building permit approval.

The amenity contribution rates vary substantially depending on the specific amenities that are required in an area and recent escalation in the cost of land and construction. Previously adopted (older) NCP areas have amenity rates of approximately \$420 to \$1,700 per residential unit. However, recently in 2006, amenity contribution charged for new developments is in the \$4,000 per residential lot range for developments such as South Cloverdale, Surrey. City Staff advise that the amenity rates are rising due to rising land and construction costs for new community facilities. Given that it would take some time before the proposed Hazelmere NCP is prepared and adopted, an amenity contribution rate of \$4,500 per residential lot will be used for this analysis.

$$\text{Estimated Total Amenity Contribution} = 1,380 \times \$4,500 = \$6,210,000$$

4. Additional Gross Property Taxes

As shown in Plan 1, there are approximately 64 existing conventional lots and 29 strata lots with various rural buildings and structures on them, in the developable part of the proposed Hazelmere NCP area. The size of existing properties range from approximately 2 to 38 acres in size, with an average property size of about 7 acres.

Assuming that the average 7- acre residential agricultural property in the Hazelmere area (with improvements) has a 2006 annual property tax of \$2,500 and the are 93 properties, the total 2006 property tax revenue is \$232,500.

It is estimated that a half-acre RH-G residential lot in the Hazelmere Heights Neighbourhood area would pay a 2006 property tax of \$4,300 per property (including improvements) and assuming that the proposed Hazelmere NCP would yield 1.380 lots, the total 2006 property tax revenue would be \$5,934,000.

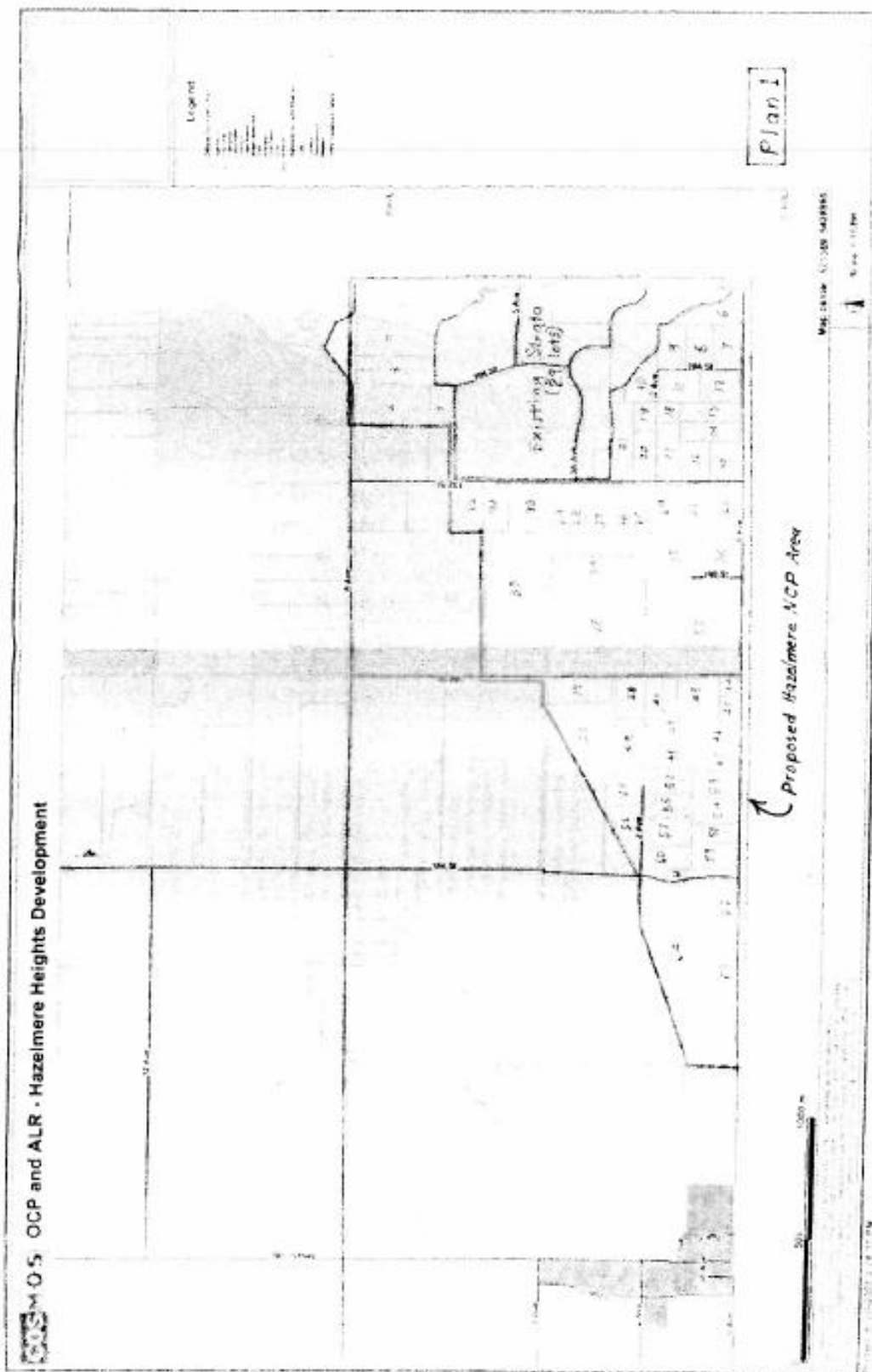
Based on the above, the additional property tax in the Hazelmere NCP area would be as follows: \$5,934,000 - \$232,500 = \$5,701,500, on an annual basis

5. Summary

It is noted if there is any neighbourhood commercial or higher density residential development approved within this area as part of the proposed Hazelmere NCP process, that there would be higher DCC, amenity and property tax revenues than estimated in this report.

The following is a summary of some of the above benefits analysis:

1.	Additional Capital Contribution	
	DCC Benefits	\$32,837,085
	NCP area Amenity Contribution	<u>6,210,000</u>
	Additional Capital Contribution	<u>\$39,047,085</u>
2.	Additional Annual Contribution	
	Annual Property Taxes	\$ 5,701,500



July 28, 2006

Proposed Hazelmere Heights Water Supply

Hazelmere Heights Neighbourhood Area, Surrey

1. Demand

1,380 units of ½ acre gross at 3 persons/unit

Maximum day demand = $(1,380 \times 500 \times 3)/86,400 = 24 \text{ l/s}$

Fire flow = 65 l/s for residential

Suggest 120 l/s to allow for a school or community commercial development

2. Suggested Solution

Take supply from +82m supply zone which ends at 184th Street

Existing System – a mix of 300 and 450 mains along King George Hwy to 8th Avenue with PRV at 16th Avenue. Assume this will be enlarged to 450 equivalent eventually by City to meet other requirements as recommended in the 1999 NCP Report. Thence a 400 along Hwy #99 and 4 Avenue to 176 Street and a 300/250 via 4th Avenue/180 Street terminating at 8th/180th. This system supplies the area south of 16th Avenue including the Douglas area. The Douglas NCP Report also recommended an ultimate population of 2,900 together with a school and some neighbourhood commercial development. Applying the current design criteria, the ultimate water demand will be a maximum day demand of 16.8 l/s and a fire flow of 120 l/s.

A simplified flow analysis up to 4th/180th is made as per attached spreadsheet.

The pressure available at the extremity of the 300 main at 4/180 under F + D with Hazelmere Heights demand superimposed is 40m above ground. This should be a good starting point for extending the supply to Hazelmere Heights. With the lowest most westerly point of Hazelmere Heights at 2/183 at elevation +25m, a 350 main extension from 4/180 will give a residual pressure of 21m above ground which should be sufficient to feed a pump station at this location to supply the entire Hazelmere Heights area. Because of the generally higher elevation of the Hazelmere Heights area, there is no merit to extend the system with a large main which could only provide gravity supply to a small lower area.

The only set-back is that this route traverses private properties and the solution would probably be the purchase of a strip of land along 4th Avenue between 180th and 184th Streets to construct this main and to have the same dedicated to the City as a road ROW. The pump station can be sited at the SE corner of 2nd Avenue/184th Street.

3. Proposed Pumping System

Assuming the delivery of the F + D flow of 144 l/s via a 350 main to the extremity of the development (SE corner at 0/196 at an elevation of +125m), the power required is estimated to be 200 water horse-power, or say 250 H.P. installed + necessary standby. The configuration of the pumps would probably be 3 x 72 l/s pumps (2 operative + 1 standby) and one each 20 l/s and 5 l/s pumps for day-to-day consumption demand.

The proposed pumping system to deliver the required water supply to Hazelmere Heights to meet fire and ultimate consumption demands from the existing City +82m supply zone ending at 4th Avenue/176th Street will consist of :

- 1,000 metres of 350 mm watermain at \$400/m = \$400,000
- Pump station (Re: Grandview Heights & E Clayton) = \$2,500,000

Total say \$3,000,000

It is assumed that power will be available on site as part of the overall development project. Also the cost of land acquisition as mentioned above has not been included.

4. Alternative Solution

The above suggested solution relies on the provision of pumping capacity to meet the fire and consumption demand while most of the time, only the small service pump will need to be operated. The alternative would be a small pump station (2 x 10 l/s + 1 x 5 l/s) with the same source of supply at 4th/180th. This will in turn require a smaller main to the pump station at 2nd/184th. The water will be pumped through a feeder main running west/east through the development as part of the on-site service (which is required for the above alternative). This water main will feed a new reservoir to be constructed at the highest point of the development at +120 m APD. This reservoir could have a working capacity of 3,000 cu.m. equal to 6 hours of fire flow draw. It will be filled over time by the pump station and water for fire and consumption will be drawn through reverse flow of the feeder as needed. Stagnation is not expected with programmed start/stop of pumping while keeping the reservoir fairly full. This arrangement would have the added advantage of an assure 6 hour gravity supply for fire even under a power failure in addition to a smaller demand on the existing system. Its draw-back is limiting development to about +90 m APD which, depending on the development layout, may or may not be acceptable.

The order of cost of this alternative system is estimated to be:

• 1,000 metres of 250 mm watermain at \$300/m	=	\$300,000
• Pump station	=	\$1,000,000
• Reservoir	=	<u>\$1,000,000</u>
Total say		\$2,300,000

5. Other Available Supply Points

The recently completed Campbell Heights City Lands Servicing work brings water to 184th Street/24th Avenue and 192/20, both of them will eventually be fed from Grandview Heights Reservoir at +107m APD.

While the supply source has a higher static head, the conveyancing distance is longer thus a portion of the available head would be lost. With 192nd Street not open between 16th and 8th Avenue, the feasible supply route would be along 184th Street. The length of main required from this supply point to the above proposed pump station will be 4,400 metres. A 400m main will have a loss of 18m. Allowing another 5m for loss on the trunk along 24th Avenue, the residual head at the development will be around 84m which will allow gravity feed to elevation around +50m. This unfortunately will not reduce the above-defined pumping arrangements, with or without reservoir, for the higher areas.

The order of cost for this 4,400m main is \$2,000,000. The corresponding additional order of costs for the above two alternatives will be \$1,600,000 and \$1,700,000 respectively.

It can be concluded that drawing water from 184th Street/24th Avenue is not a preferred solution.



Corporate Report

NO: L008

COUNCIL DATE: July 24, 2006

REGULAR COUNCIL - LAND USE

TO: **Mayor & Council** DATE: **December 5, 2006**

FROM: **General Manager, Engineering** FILE: **6520-01**
Acting General Manager, Planning and Development

SUBJECT: **New Neighbourhood Concept Plans**

RECOMMENDATION

It is recommended that Council:

3. Receive this report as information;
4. Direct staff to bring forward a Terms of Reference for the preparation of an NCP for each of :
 - (a) Grandview Heights Area #3 (as illustrated on Appendix I); and
 - (b) Grandview Heights Sub-Area #5 (as illustrated on Appendix I);with these NCP processes commencing following approval by Council of the completed Stage I component of the Grandview Heights Area #2 NCP;
5. Direct staff to bring forward a Terms of Reference for the preparation of an NCP for Grandview Heights Area #4, subject to the proponents agreeing to:
 - (a) pay the costs for construction and maintenance of all interim engineering services required for opening the area to development (such costs are not eligible for DCC rebates);
 - (b) pay to the City, all costs the City incurs in retaining consultants for studies and plan preparation work in support of preparing the subject NCP;

- (c) the NCP planning process commencing when the Stage I component of the NCP for Grandview Heights Area #2 has been completed and approved by Council; and
- (d) that condition 3(a) and 3(b) be incorporated in an agreement, prior to the commencement of the NCP process.

INTENT

The City has received several formal requests from proponents who wish to proceed with an NCP planning process for each of three areas in Grandview Heights. Staff is also aware of interest by landowners to proceed with an NCP planning process in several other areas of the City and anticipate that there will be further petitions received by the City requesting the commencement of such planning processes.

The purpose of this report is to:

- provide Council with an overview of the submissions to commence NCP planning processes that have been received to date by staff;
- provide a planning and policy context for consideration of these submissions; and
- evaluate the submissions in the context of current policy, servicing and financial implications, planning rationale and resource limitations, and provide recommendations for Council's consideration.

BACKGROUND

Status of the NCP Program

The NCP Program was initiated in 1993 to:

- achieve complete communities in a planned and orderly manner;
- to provide for a detailed policy and planning framework, servicing program and strategy to guide development in the City; and
- to facilitate an efficient land development decision-making process.

Since the inception of the Program, a total of 17 NCPs (including the expansions of the East Clayton NCP) have been approved by Council, accommodating a total potential of 29,700 units of residential growth. Generally, an NCP process is initiated after a general land use plan has been adopted by Council, which identifies individual NCP areas and, in some cases, includes a phasing plan. Currently, two NCPs are under preparation by City staff. These are for Area #2 in Grandview Heights and for Anniedale Area "A" in South Port Kells. In addition, a minor NCP amendment is being processed for the Douglas NCP. All these NCPs currently underway could potentially provide an addition of 3,800 dwelling units (see Appendix II).

Requests for New NCP Processes in Grandview Heights

The following requests to commence NCP planning processes for neighbourhoods in Grandview Heights have been received by the City. Appendix III identifies the location of the area covered by each of these requests. The requests are listed and described below in the order that they were received by the City.

- **Grandview Heights Area #4**

In July 2005, New East Consulting Services Ltd. submitted a document entitled "East Grandview Heights Trunk Servicing Concept Report". A petition was also received from property owners, requesting that the City proceed with an NCP planning process on the basis of an alternative engineering servicing scheme in comparison to the scheme that was approved as part of the Grandview Heights General Land Use Plan. The petition represents 63% of the owners of properties in the area and 66% of the land area.

- **Grandview Heights Sub-Area of Area #5**

In May 2006, Aplin & Martin Consultants Ltd. submitted a petition representing 72.2% of the owners and 90.89% of the land area, which requested that the City proceed with an NCP planning process for this sub-area of Area #5. The submission indicates that this area located between 164 – 168 Streets and 24 – 26 Avenues, can be provided with engineering services through connections to the infrastructure being constructed in conjunction with the Morgan Heights NCP (also known as Grandview Heights Area #1), which NCP was adopted by Council in November 2005. This sub-area of Grandview Heights Area #5 will accommodate approximately 580 to 860 dwelling units.

- **Grandview Heights Area #3**

In June 2006, the South Surrey Estates Association submitted a petition requesting an NCP planning process for Grandview Heights Area #3. The petition represented 52% of the owners of properties in the area and 85% of the land area, excluding the City-owned Darts Hill Garden Park. Area #3 is located between 168 and 176 Streets and 16 and 20 Avenues and is adjacent to Grandview Heights NCP #2. Preliminary estimates indicate that this area could accommodate between 1,210 and 1,620 dwelling units.

Potential NCPs to be Initiated in Other Areas of the City

In addition to the petitions that have been received requesting NCP planning processes in Grandview Heights, based on the initial discussions between staff and interested groups, it is anticipated that requests for similar planning processes in other areas of the City may be forthcoming. These include the following:

- **South Port Kells Anniedale "B" NCP**

Located generally between 90 and 94 Avenues and 176 and 190 Streets, this NCP area is adjacent to the Anniedale "A" NCP area, which is currently undergoing an NCP planning process. Anniedale "B" is part of the South Port Kells General Land Use Plan and is anticipated to be the next logical area for NCP development within the South Port Kells area. Transportation plans to accommodate the new Golden Ears Bridge call for new major roads to cross through South Port Kells, which may provide cause to reconsider some of the land uses as originally contemplated in the Port Kells General Land Use Plan. This NCP area is expected to accommodate between 4,110 and 5,600 dwelling units.

- **West Clayton**

West Clayton is located within the area covered by the Clayton General Land Use Plan, to the west of the East Clayton NCP, generally bounded by East Clayton to the east, 180 Street to the west, Fraser Highway to the South and 82 Avenue to the north. With the success and rapid build-out of the East Clayton NCP, including the two extensions to the NCP that were approved by Council in 2005, there is a need to revisit the Clayton General Land Use Plan in anticipation that there will be interest in the coming months to initiate the next major NCP planning process for this area.

The first of the remaining NCPs in Clayton would be the West Clayton area, which generally drains toward the west and would be serviced by a gravity sewer system crossing the Fraser Highway in the vicinity of the 17900 block. The area would contain a mix of Multiple Family, Urban Residential and Suburban densities, with a capacity in the range of between 3,130 and 4,450 dwelling units.

DISCUSSION

The Planning Context

A. Planned NCP capacity to Accommodate Future Residential Growth

Division A, Policy A-4.2 of Surrey's OCP stipulates that capacity in urban areas is to be sufficient to accommodate projected growth over a three to five year period and that when residential capacity is less than five years of anticipated growth, the City should begin planning for new capacity.

As noted in the 2006 Annual OCP Review Corporate Report recently received by Council, it is expected that approximately 60% of residential growth in the City in the next 5 years will occur in NCP areas. This growth will amount to 2,400 dwelling units per year or a total of 12,000 units over the next five years. The currently approved NCPs provide a total capacity of 29,700 dwelling units. Of this total NCP capacity, 9,600 dwelling units have been approved. Another 12,500 dwelling units are in various stages of the rezoning approval process, which could meet the expected demand for the next five years. The 7,600 dwelling units of remaining capacity in the existing NCPs, plus the additional 3,800 units potentially made available in the two NCPs

currently being prepared, are sufficient to provide for the residential growth expected to occur in the NCP areas to beyond 2011.

In light of the above assessment of demand for, and supply of, housing units in the NCP areas, it is clear that there is no immediate need for commencing any new NCPs to satisfy the OCP policies related to growth. However, since an NCP planning process usually takes at least one and one-half years to complete and given that the remaining capacity in some of the approved NCPs involve sites which are difficult to develop due to various reasons, it is advisable that a work program for undertaking additional NCP planning be prepared. This will assist in ensuring that the City is in a position to meet the longer term market demand for housing in the City.

B. Management of Growth

The existing NCPs were generally based on an approved general land use plan for the area within which they are located. These general land use plans identify neighbourhood units for the purpose of preparing detailed NCPs. Some of the larger planning areas, such as Grandview Heights and South Port Kells also provide staging or phasing plans to suggest a sequence for NCP planning processes in these areas. Usually these phasing plans are based on the expected timing and phasing of City engineering services and infrastructure and provide for a logical progression of development so as to manage growth in an orderly manner. Opening too many development sites at one time can result in inefficient use of the City's resources. Opening development sites in a scattered and sporadic manner usually creates the need to provide interim engineering services, which will be abandoned after the permanent engineering services are in place. Piecemeal development also contradicts the principles of sustainable development.

Other Planning Initiatives

The City has also committed substantial staff resources to the following planning initiatives, which will provide policy direction for balanced urban development and densification of the town centres and other urban areas in the City:

1. Surrey City Centre Plan Review

Consistent with Council's strategic focus for 2006, a review of the City Centre plan is being proposed. This planning process will assist in providing a context for consideration of the numerous development applications under review in this area and will be focused on ensuring that the image of the City is enhanced through a renewed focus on its downtown. A Corporate Report on the City Centre Plan update, including a Terms of Reference is being forwarded to Council separately. The public process for this plan review is proposed to commence in the Fall of 2006 to build upon the momentum generated by the Surrey Central Transit Village Plan that is nearing completion and recent developments in the area.

2. **Semiamoo Town Centre Plan Review –**

The "Semiamoo Town Centre Development Concept Plan" is currently under review. The results of the second phase of this process included two land use concepts that were presented to the public at a Public Open House on May 31, 2006. The results of this Public Open House are currently being reviewed and future infrastructure requirements analyzed. A Corporate Report will be forwarded to Council in the Fall of 2006 with the results of the second phase of this planning exercise and a recommended land use plan for consideration.

The Policy Context

In the early 1990s, after the NCP program was launched, an important policy issue emerged. The policy question was: "Should the City control the sequence of NCP development by directing its staff resources and servicing programs, or should the sequence of NCP development be driven by the market?". After careful consideration of this question, Council adopted the latter option, based on the "development pay" principle. Except for a few specialized NCPs, such as those for business parks, the planning of NCPs was initiated only on the basis of a clear indication of interest from landowners and developers in any particular area. The criterion that has been used as the basis for determining whether an NCP planning process should be initiated is:

"A petition must be submitted to the City that demonstrates that at least 51% of all the owners of properties in the area agree to an NCP planning process, or that these owners control at least 70% of the land in the area".

This criterion has been incorporated into the OCP as a policy. The landowners and developers initiating the NCP process must bear the costs for commissioning consultant studies and the costs may be shared among all the benefiting owners. In addition, after an NCP is prepared and adopted, the City will include the required infrastructure in the next available updated of 10 Year Servicing Plan, but developers are responsible for providing and front ending all the needed services that are beyond the financial resources of the DCC program.

Evaluation of the Requests for NCP Processes

In evaluating whether to proceed with the requests for NCP processes in the short term, it is important to consider these proposals from the perspective of the efficiency of infrastructure development, financial impacts to the City, land use planning objectives, and availability of staff resources (Appendix I).

1. **Grandview Heights Area #3**

This Area is adjacent to Grandview Heights Area #2, for which an NCP plan is currently being prepared. Grandview Heights Area #2 and Area #3 will require some common sewer and drainage infrastructure that will likely be more feasible to construct if development of these areas occurs together versus separately. From a servicing and financing perspective, the two NCPs will benefit if they

proceed together. Development in Grandview Heights Area #3 is the next logical extension of development after Area #2 and is consistent with the phasing plan contained in the Grandview Heights General Land Use Plan.

As the petition received by the City from the property owners in this area significantly exceeds the minimum threshold requirements for initiation of an NCP process, it is recommended that a planning process for this NCP commence in late 2006 or early 2007 after completion of the Stage 1 component of the Grandview Heights Area #2 NCP is completed.

2. **Grandview Heights Sub-Area of Area #5**

This area, in the southwestern corner of Grandview Heights NCP #5, (see Appendix I) is adjacent to the area covered by the Grandview Heights Area #1 (Morgan Heights) NCP. Similar to the NCP extensions in East Clayton, this NCP sub-area would build on the infrastructure to be constructed in conjunction with development of Morgan Heights and is a logical extension of development from the west to the east in Grandview Heights.

The petition received by the City, requesting initiation of an NCP planning process for this area far exceeds the OCP threshold requirement. This NCP planning process should commence once the Stage 1 component of the Grandview Heights Area #2 NCP is completed, which is anticipated to be in late 2006 or early 2007.

3. **Grandview Heights Area #4**

Grandview Heights Area # 4 is approximately 194 hectares (480 acres) in area and is located east of 176 Street (Highway 15) and west of 184 Street (see Appendix I). The projected capacity for the area is between 1,430 and 3,610 residential units. The petition received by the City from the owners of land in this area, indicates a level of support for initiating an NCP planning process that exceeds the threshold requirements of the OCP. However, the submission was based on using an alternative sanitary sewer system to open the area for development in comparison to the servicing scheme proposed in the Grandview Heights General Land Use Plan and the North Grandview NCP. It is also not consistent with the proposed NCP staging sequence included in the Grandview Heights General Land Use Plan. The following is a discussion of the implications of the proposal received from the proponents of Area #4.

Servicing Implications

It is generally preferable that the first NCP in any area will be the one that is closest to and, therefore, provides for the most efficient extension of existing engineering services. Once the engineering services are built to the first NCP area, the next adjacent proposed NCP area would be developed.

In the case of Grandview Heights, the North Grandview Sewer Interceptor was approved by Council as part of the servicing requirements for the Grandview Heights General Land Use Plan. Appendix I identifies the location of the North Grandview Sewer Interceptor. This sewer line was planned to serve developments in the southern (uphill) portion of North Grandview Heights and the north slope of the large central area of Grandview Heights, including Areas #1, #5 and #4 (see Appendix I) as the sewer line was extended from the west to the east. Given that Council has approved an NCP for Area #1 (Morgan Heights), Area #5, which has been designated as largely suburban, is the next NCP area that the interceptor would logically be extended to serve, followed by Grandview Heights Area #4, which is in the most easterly area in Grandview Heights. It was anticipated that the timing of the construction of the Interceptor and, therefore, the timing of the NCP planning process for Grandview Heights Area #4 would be a number of years in the future.

The alternative engineering servicing scheme proposed by the proponents of Grandview Heights Area #4 includes the construction of a pump station near 176 Street and 32 Avenue and a sanitary forcemain within the 32 Avenue right-of-way from this pump station to the Rosemary Heights Pressure Sewer at 152 Street and 32 Avenue, a distance of about 5 kilometres. While this alternative sewer service could be built, it would bypass Grandview Heights NCP Area #5 and would be expensive.

The petition requesting an NCP planning process for Area #4 was received a year ago. In the interim, to fairly evaluate the proposal, staff has undertaken a preliminary economic evaluation to determine the pros and cons of proceeding with the North Grandview Sewer Interceptor or, alternatively, for the area to be serviced by the proposed 32 Avenue forcemain on a "development pay" basis. This evaluation determined that the 32 Avenue forcemain is technically feasible.

The City retained Earth Tech Consulting to undertake a servicing overview of the entire Grandview Heights area to determine the most effective servicing strategy. This study concluded that the 32 Avenue forcemain will cost between \$4 million and \$5 million to construct over and above the works that are included in the Grandview Heights General Servicing strategy. In addition, there were a number of operating and maintenance issues identified with the forcemain proposal related to odour, septicity, and pressure surges arising from the length of the proposed forcemain. With the current construction market conditions, the precise cost for this interim scheme is difficult to estimate, but could be significantly more than that anticipated by the proponents. Therefore, costs to deal with these issues need to be included in the costs for the interim works.

This proposal will introduce new urban development into the Erickson Creek drainage catchment. Prior to the introduction of any urban development into this area, an Integrated Storm Water Management Plan (ISMP) is required. To keep all NCP planning options open, staff has initiated the ISMP for this area in 2006 and work on it is now underway.

Financial and DCC Rate Implications

The financial aspects of development servicing are considered as part of the development of each General Land Use Plan. Life cycle costs are considered (i.e. maximizing areas to be serviced by gravity sewer to minimize pumping costs and maintenance costs) as well as the staging of servicing to ensure that no properties are "land locked" from connecting to City services.

The adoption of General Land Use Plans also allows the City to anticipate the timing of construction of services, which is then reflected in the City's Ten Year Capital Plan. Similarly, the information is used to calculate the DCCs necessary to finance improvements to support the land uses proposed. These infrastructure plans consider the types of works to be constructed and considers the logical extensions of services in an effort to efficiently coordinate the City's capital works program and the collection of DCCs to cover the costs.

The present 10-Year Servicing Plan was used as a basis for calculating the proposed DCC rates, which were recently adopted by Council. The new DCC rates were adopted by Council on June 26, 2006. None of the infrastructure required for Areas #2, #3 or #4 are included in the current 10 year Servicing Plan and, as such, are not in the current DCC program.

Construction costs have increased significantly since 2001, which prompted the recent update of the City's DCC rates. The 10-Year Servicing Plan and associated DCC rates will be reviewed again in the next two years and opportunities for extending the North Grandview Sewer Interceptor will be explored.

The more remote (easterly) location of Grandview Heights Area #4 and the easterly part of Area #5 are not included in the recently approved 10-Year Servicing Plan, since NCPs for these areas have not been carried out. If these areas are to be included in the next 10-Year Servicing Plan, the DCC rates will probably need to be increased further.

Another financial implication of advancing an interim solution for Area #4 to expedite the development the area, is that in addition to the throw away costs associated with the interim works, the proponents will also have to pay the full DCCs for the ultimate servicing solutions proposed in the General Land Use Plan. It is important that the proponents of Area #4 understand and agree to this condition prior to a planning process for Area #4 being commenced.

Land Use Planning Implications and Resource Limitation

The development of an NCP that is separated from other development by an intervening unserviced area will create the need to develop public facilities (i.e., parks, schools, etc.) in the isolated area in advance of when such services have been planned. This draws scarce resources away from other areas of the City that are already under development and are in need of parks and amenities to service existing populations that have moved into these other areas.

Although the proponents may provide the resources to engage consultants to undertake various studies and to prepare the plans at various stages, substantial staff resources still have to be allocated to the various tasks of preparing an NCP, including project management, planning and engineering review, public consultation and report preparation. Given the limitation of existing staff resources in both the Planning and Development and Engineering Departments and the projects already committed (i.e. Surrey City Centre Plan Review, Semiahmoo Town Centre Plan Review, current NCPs, etc.), commencing the proposed Grandview Heights Area #4 will delay the completion of current planning processes as well as other needed City initiated planning projects such, as Surrey City Centre Plan Review. Adding staff resources would to some extent mitigate this circumstance; however, it is very difficult in current market conditions to recruit seasoned planners that would have appropriate experience to manage NCP planning processes.

Development Pay Principle

The above evaluations related to the servicing, financing, and planning perspectives suggest that Grandview Heights Area #4 NCP planning process should not commence out of the staging sequence planned in the Grandview Heights General Land Use Plan. However, the long standing Council policy to allow development based on the "market" and the "development pay" principle and the established threshold criteria for NCP initiation, as contained in the OCP, suggest that Grandview Heights Area #4 could be allowed to proceed, provided that the NCP does not impose any new financial burden to the City.

CONCLUSION

Although, there is no urgent need to commence additional NCP planning processes to increase residential capacity to meet the expected demand for housing in the City from planning, servicing and financial points of view, the requests from land owners for initiation of NCP processes for Grandview Heights Areas #3 and Sub-area 5 are supportable when resources are available. Grandview Heights Area #4 is out of the planned phasing sequence as identified in the Grandview Heights General Land Use Plan and has significant engineering and financial implications. However, given Council's traditional approach to the initiation of NCP planning in new areas, Grandview Heights Area #4 could be allowed to commence under the current NCP initiation criterion and the City's "development pay" principle, provided that the proponents enter into an agreement with the City, prior to commencement of the NCP process that stipulates that the proponents agree:

- to pay for the construction and maintenance costs of all the interim services required to open the area to development and that payments are not eligible for DCC rebates;

- to provide sufficient funding to cover all the required consultant studies, plan preparation and public consultation; and
- that the planning process will not commence until the Stage I component of Grandview Heights Area # 2 NCP has been approved by Council.

Original signed by
Paul Ham
General Manager, Engineering

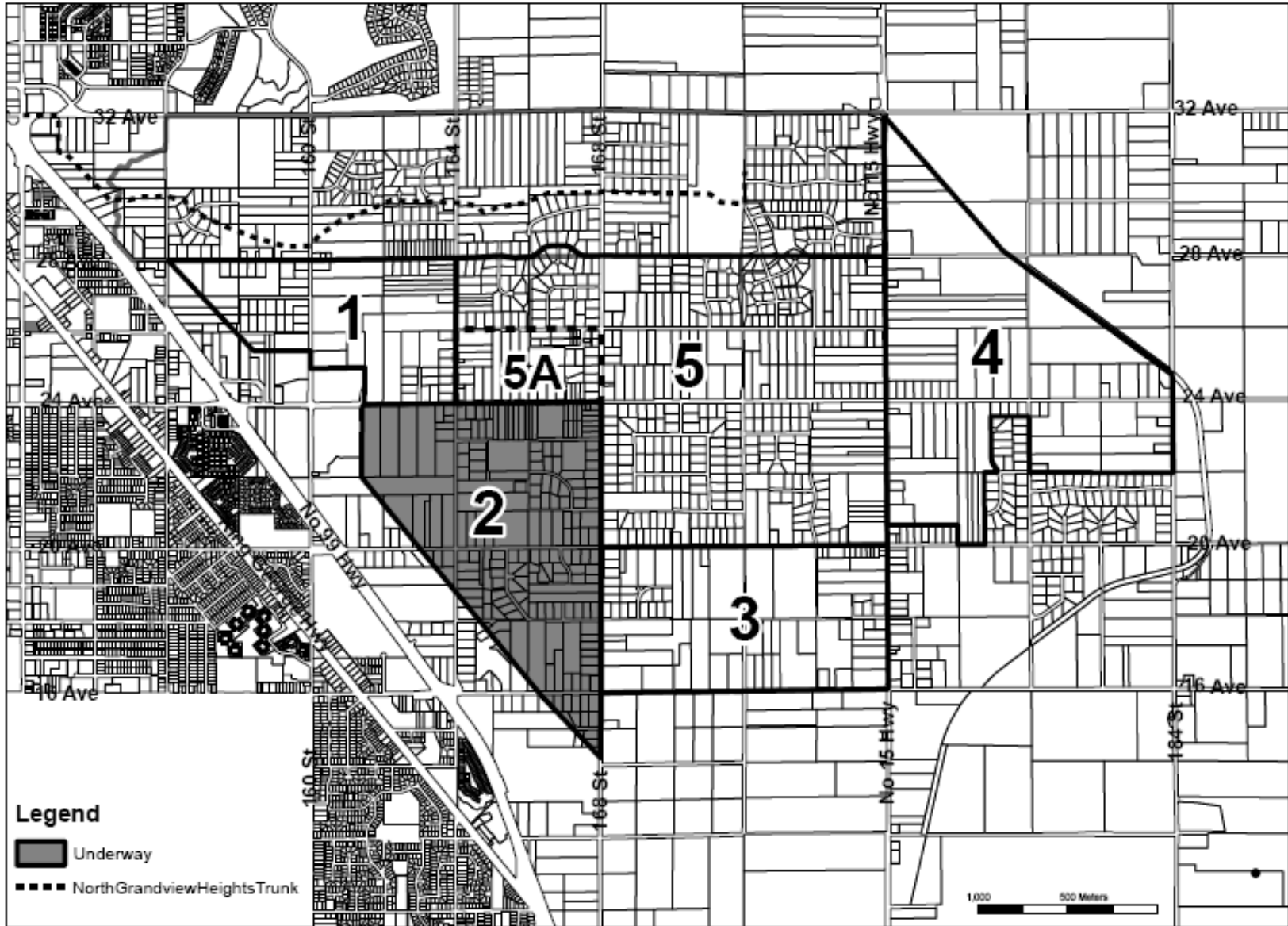
Original signed by
How Yin Leung
Acting General Manager
Planning and Development

LG/kms/saw

Attachments:

Appendix I	NCP Phases in Grandview Heights/North Grandview Gravity Sewer Interceptor Location
Appendix II	Location of Current/Underway NCPs
Appendix III	Location of NCP Requests

Proposed NCP Phases in Grandview Heights



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