



# Corporate Report

NO: R165

COUNCIL DATE: July 5, 2004

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## REGULAR COUNCIL

TO: Mayor & Council                      DATE: **June  
29,  
2004**

FROM: General Manager,  
Engineering                      FILE: 5400-00

SUBJECT: **Road Cleaning and Damage Repair of  
Municipal Works and Services in New  
Residential Subdivisions**

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## RECOMMENDATION

That Council approve changes to the process for maintaining and repairing damage to works and services in new residential subdivisions as outlined in this report.

## INTENT

The Engineering Department is undertaking a number of business process changes in order to gain efficiencies and provide better customer service related to development activity. Changes are proposed to the Land Development Servicing Agreement and the Building By-law to make Developers responsible for all damage to municipal works and services, and to maintain cleanliness of roads during the 12-18 month maintenance period in order to improve the service level for residents in and around new subdivisions.

## BACKGROUND

Prior to July 1986, residential Developers were responsible for maintaining the municipal works within their subdivision limits, and they in turn retained damage deposits from each builder for damage and clean-up related to house construction. However, in some cases, houses were still under construction or had not commenced construction prior to expiry of the subdivision warranty period, which usually occurs about 18 months after the servicing is completed and is when Developers receive final release for their subdivision. Damage during house construction that occurred after final project release often had to be repaired by the City at taxpayers' expense.

In July 1986, the process was changed to release the Developer of this responsibility and the Engineering Department began dealing with road cleaning and damage to works through the building permit process. A \$1,000 Builder Damage Deposit was implemented with each individual residential building permit as security for the maintenance and repair. Developments have dramatically increased over the years – the City of Surrey Building Division is currently issuing over 2,500 single family house permits a year. In addition, the building construction activity has become more fast-paced and competitive. As a result, there are a number of shortcomings with the existing procedure.

- Builders often claim that the damage to curbs and sidewalks, etc., is a result of poor workmanship by the Developer's servicing contractor. The City then ends up mediating these Developer/Builder disputes, which delays the repairs.
- It is also often very difficult for the City to establish who is responsible for the dirty roads in and around new subdivisions, which again leads to delays in the clean-up.
- It also has become a common practice for some builders to use an adjacent vacant lot to access their site, causing damage to the municipal works fronting that lot. The City is faced with the difficult task of establishing who is responsible for the damage and who will repair it.
- The current \$1,000 damage deposit is often inadequate to cover the cost of repairing more extensive damage, which motivates some builders to forfeit their deposit and let the City undertake the repairs.

## DISCUSSION

The existing process for regulating the cleanliness of roads and the repair of damage to municipal works and services during residential building construction is not serving the community's interest as well as it could be – especially in the current development and building boom. The City needs to once again look at developing a process that will ensure that the municipal infrastructure built by the developer is in good condition and will last for its intended life with minimal disruption to the neighbourhood – both after subdivision servicing and after house construction.

A hybrid of the two historical processes is proposed. The Developer is again proposed to be responsible for managing all cleaning and damage to City infrastructure during the maintenance period for the subdivision. The primary advantage of this approach is a single point of contact for the City to ensure quicker response to dirty roads or damage, and the City will no longer get involved in Developer/Builder disputes for house construction not likely to complete within the maintenance period. It is also proposed to continue securing a Builder Damage Deposit, to motivate Builders to minimize mess and damage to the subdivision works during house building and to ensure adequate security is available. Under previously approved amendment to the building by-law, the Damage Deposit is being increased to \$2,500 with this coming into effect sometime this fall.

The proposed regulatory change was presented to the Development Advisory Committee (DAC) for review and input. The DAC members generally supported the objective of better regulating the impact of building activities on their subdivisions to ensure the appeal/marketability of their developments. Developers on DAC also confirmed they already secure sizeable deposits from their customers or Builders to ensure compliance with their Building Scheme, and that cleanliness and repair of municipal works can be rolled into this agreement.

However, the approach outlined in this report does represent a shift in responsibility, during the maintenance period, from the individual house builder to the subdivision developer. Consequently, some developers may not support this change, especially smaller developers, not represented on DAC, who may not currently secure damage deposits from their builder customers and who will now have to more actively manage the impact of their builders on the City's roads and utilities.

## CONCLUSION

The changes proposed herein to regulate cleanliness and repair of municipal works during residential building are more efficient for the City to manage and will provide a clearer accountability for responsive Developers to manage. The end result for residents in and around new subdivisions will be less disruption and nuisance and quicker response related to dirty roads and repair to damaged municipal works.

The Building Division of the Planning and Development Department will be bringing forward a number of amendments to the Building By-law for implementation this fall. Subject to Council supporting these

procedural changes, all future residential developments will have this revised process added to their Servicing Agreement.

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