



# Corporate Report

NO: L003

COUNCIL DATE: February 26, 2007

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## REGULAR COUNCIL – LAND USE

TO: **Mayor & Council** DATE: **February 21, 2007**  
FROM: **Acting General Manager, Planning and Development** FILE: **6792-0106-00**  
**7907-0032-00**  
**6920-20(Morgan Creek)**  
SUBJECT: **Morgan Creek Pedestrian Network Improvements In-Lieu of  
Golf Course Pathways**

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## RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information;
2. Endorse the selected pedestrian network improvements in-lieu of golf course fairway pathways, to be completed by Morgan Creek Holdings Ltd., with ongoing input from the City and the Morgan Creek Homeowner's Association (the "MCHA");
3. Authorize staff to draft Development Permit No. 7907-0032-00, which amends Development Permit No. 6792-0106-00, to formally approve the selected pedestrian network improvements, as documented in this report and as shown on the map attached as Appendix I, in place of certain golf course pathways; and
4. Authorize staff to finalize the outstanding issues related to the existing golf course pathways to be retained, including registration of rights-of-ways and completion of maintenance agreements and securities, as part of the finalization of Development Permit No. 7907-0032-00.

## INTENT

The intent of this report is to report back to Council on recent public consultation and ongoing work with Morgan Creek Holdings Ltd., regarding the completion of amenities in-lieu of the golf course pathways and other amenities required under Development Permit No. 6792-0106-00. This report also recommends approval of specific pedestrian

improvements in-lieu of golf course pathways, seeks Council approval for required amendments to Development Permit No. 6792-0106-00, and outlines detailed implementation measures to formally recognize and ensure maintenance on the golf course pathways being retained.

## **BACKGROUND**

The Morgan Creek neighbourhood is a master-planned golf course community bounded by 40 Avenue to the north, 160 Street and 164 Street to the east, 32 Avenue to the south and 156A Street and 156B Street to the west. The development was initiated in 1992 and consists of single-family suburban type lots and a number of townhouse developments.

Part of the development permit (Development Permit No. 6791-0106-00) for the original phase of the Morgan Creek development was a requirement that the developer construct a network of pedestrian walkways and viewpoints throughout the community. Some of the walkways were to be constructed on the edges of the golf course.

As development of the neighbourhood and golf course occurred, construction of various sections of the pathway system was completed. However, as development continued, further construction of the path system and viewpoints was not completed in accordance with the approved development permit. The developer, Morgan Creek Holdings Ltd., indicated an unwillingness to continue with the development of the pathways due to the safety concern of having pedestrians on the golf course when balls are in play, and the subsequent liability (i.e. golf balls could hit unwary pedestrians with the potential for serious injuries and significant liability to result).

City staff have been working with Morgan Creek Holdings Ltd. and the community since 2005 to address the pathway requirements in the approved development permit, and establish reasonable alternative amenities for the community. As documented in Corporate Report No. R175 (Appendix II), Council has endorsed, in principle, the provision of alternative amenities to the golf course pathways up to a value of \$374,264.00 and has recommended that the developer hold public consultations to determine the specific amenities in lieu of the original requirements of Development Permit No. 6792-0106-00 that would be acceptable to area residents. Through a series of public consultation, discussion with the MCHA and work with City staff, the developer has now refined the improvements and construction priorities, and is prepared to move forward with implementation.

## **DISCUSSION**

### **Consultation with Morgan Creek Holdings and Morgan Creek Homeowner's Association**

As directed by Council, City staff met a number of times with representatives from Morgan Creek Holdings Ltd. and the MCHA in the latter half of 2006 to refine the list of amenities-in-lieu that would be desirable, based on community input and the priorities identified at the first open house. Preliminary design was discussed and cost estimates solicited for the various features to evaluate the mix of options that could generally be

constructed within the approved budget of \$374,264.00. Financial securities for the full value has now been submitted to the City in the form of Letters of Credit.

The following is the finalized list of priority amenities in-lieu developed through the consultation process and includes the City cost estimates for the improvements:

<b>PRIORITY AMENITIES (By Priority)</b>	<b>DESCRIPTION</b>	<b>CITY COST ESTIMATE</b>
<b>#1: Sidewalk Construction</b>		
Canterbury Drive	80 metres of sidewalk	\$48,000
34 <sup>th</sup> Avenue	160 metres of sidewalk	\$96,000
Humberside Avenue	70 metres of sidewalk	\$42,000
#1 - Subtotal		\$186,000
<b>#2: Enhanced Pedestrian Crossing</b>		
Morgan Creek Way/Canterbury Drive Intersection	Enhanced pedestrian crossings with traffic throats	\$40,000
Morgan Creek Way/34 Avenue	Enhanced pedestrian crossings with traffic throats	\$40,000
#2 - Subtotal		\$80,000
<b>#3: Traffic Throats</b>		
Canterbury Drive at Golf Course Crossing	Traffic throat and landscaping	\$40,000
Canterbury Drive at western entry	Traffic throat and landscaping	\$40,000
#3 - Subtotal		\$80,000
<b>#4: Pedestrian Road ROW Amenities</b>		
Existing islands upgrading (6 locations)	Enhancing curbs and landscaping.	\$12,000
Landscaping around post boxes (13 locations)	Landscaping materials and installation.	\$6,500
#4 - Subtotal		\$18,500
<b>Subtotal All Priorities</b>		<b>\$364,500</b>
Design Work (15%)	Landscaping and engineering design work.	\$55,000
Contingency (10%)	Overrun protection.	\$41,950
<b>TOTAL</b>		<b>\$461,450</b>

These amenities in-lieu are shown on the map of the Morgan Creek community attached as Appendix I.

The preliminary City cost estimates of \$461,450.00 for all of the selected priority improvements exceed the total budget approved by Council (\$374,264.00). However, all parties acknowledge that Morgan Creek Holdings Ltd. is likely to realize substantial costs savings through their ability to complete much of the work with existing staff. On this basis, Morgan Creek Holdings Ltd. has agreed to all the priorities on the above list (#1 through #4) independent of possible rising construction costs.

The items that were previously identified as options following the original open house that did not make the final priority list are as follows:

- Mock Entryways – after review of the budget, the mock entryways were given a lower priority;
- Additional Viewpoints - a concern to residents as they are targeted for loitering and vandalism.

Staff will be monitoring the progress of construction and the remaining budget over time. Should there be surplus in the budget for the actual construction of priorities #1 through #4, the mock entryways and additional viewpoints will be reconsidered as priorities #5 and #6.

### **November 2006 Public Open House**

An open house presenting the proposal for the amenities in-lieu of golf course pathways and viewpoints was held on November 9, 2006 at the Morgan Creek Golf Course Clubhouse. Invitations were sent by the developer to the Morgan Creek postal code area. Approximately 800 invitations were sent out. The intent of the open house was to solicit final comments on the selected pedestrian improvements.

The items that were displayed at the meeting were:

- The original approvals for the golf course;
- The portions of path that were built;
- The selected priority pedestrian improvements in-lieu of unbuilt pathways and amenity features;
- Community priorities as determined in the previous open house; and,
- The estimated costs and amenity location map.

The following is the summary of the results:

- Approximately 77 people attended;
- 20 surveys were submitted; and
- There were no objections to the provision of amenities in-lieu.

The key issues identified in the survey responses were:

- Traffic calming should be installed near the clubhouse and along 160 Street.

*Part of the proposed amenities list includes traffic throats and pedestrian crossings on Morgan Creek Way that will provide some traffic calming. The concerns regarding 160 Street have been noted by residents as a possible location for traffic calming. Residents have been advised of the City Traffic Calming process, which must be initiated separately by residents in each area through the Engineering Department.*

- Proposed sidewalk construction on Canterbury Drive, 34 Avenue and Humberside Drive are unnecessary.

*These three connections are standard sidewalks proposed along existing roads where links were not originally provided. These connections were specifically endorsed by Council and supported throughout the process. These three connections directly increase the walkability and connectivity of the neighbourhood by creating additional hard-surfaced linkages through the community. As Council previously endorsed these three items, they have remained on the list.*

- Better maintenance of existing pathways.

*Staff have been discussing this issue with Morgan Creek Holdings Ltd. and will be establishing standards of maintenance in legal agreements with Morgan Creek Holdings. This approach is discussed below and will be finalized through the remainder Development Permit amendment process.*

### **Implementation of Pedestrian Network Improvements**

Should council endorse the priority list for selected pedestrian improvements in-lieu of golf course pathways (Appendix I), implementation of these improvements will require a formal amendment to the original Development Permit (No. 6792-0106-00) as well as establishment of legal mechanisms for securing formal public access to the existing pathways being retained, and long-term maintenance on these existing pathways.

### **Development Permit Amendment Process**

Morgan Creek Holdings Ltd. has applied for a new Development Permit (No. 7907-0032-00) to amend the original Development Permit No. 6792-0106-00, and allow the selected improvements to be established. Final approval of the Development Permit will be held pending completion of the required rights-of-way and required pathway maintenance agreements. Morgan Creek Holdings Ltd. will proceed with construction of the improvements, and representatives from the developer, the MCHA and the City will form an oversight group to monitor the budget and completion of the projects as approved by Council.

Once the improvements are completed and accepted by the City, and additional requirements addressed as below, the Letters of Credit (\$374,264.00) will be released per the City's normal process.

### **Existing Pathways Rights-of-Way and Maintenance**

The legal agreements for maintenance and protection of existing pathways will also be finalized through this process. Upon completion of the legal agreements, the amended Development Permit will be submitted to Council for execution.

As above, once the improvements outlined in the amended Development Permit are complete and accepted by the City, the developer can apply to have the Letters of Credit (\$374,264.00) returned, as with the City's normal process.

## CONCLUSION

City Staff have undertaken the necessary consultation with Morgan Creek Holdings Ltd. and MCHA, and a list of priorities for pedestrian improvements has been developed. The developer will be required to construct as many amenities as possible within the approved budget, and has committed to construct at minimum, the priority improvements #1 through #4 for this project.

Representatives from MCHA, Morgan Creek Holdings Ltd. and City staff will act as an oversight committee to review the completion of the work and budget implications on a monthly basis once the construction process begins.

Formal legal agreements for rights-of-way to protect existing pathways and standardize maintenance will be completed prior to the final Development Permit approval by Council and release of financial securities.

It is recommend that the amenities in-lieu and the construction of the amenities in-lieu be approved as outlined in the recommendations of this report.

How Yin Leung  
Acting General Manager  
Planning and Development

TW/kms/saw

Attachments:

Appendix I - Amenity Location Map

Appendix II - Corporate Report No. R175 (without attachments)







# Corporate Report

NO: R175

COUNCIL DATE: July 24, 2006

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **February 20, 2007**

FROM: **Acting General Manager, Planning and Development** FILE: **6520-20  
(Morgan Creek)**

SUBJECT: **Completion and Maintenance of Morgan Creek Pathways and  
Implementation of Other Amenities**

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## RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report as information;
2. Approve the amount of \$374,264 as the cash in lieu payment to the City from Morgan Creek Holdings Ltd. for pathways and other amenities that have not been constructed in the Morgan Creek development, but which were required under the related Development Permits;
3. Instruct staff to proceed with the recommendations previously endorsed by Council under Corporate Report No. R003 (attached as Appendix 1), based on the amended value of amenities documented in this report, as follows:
  - (b) Authorize staff to work with representatives of the Morgan Creek Homeowners Association to further detail the design, location, construction and maintenance costs and priority related to such amenities and, subsequently, to hold another public open house to provide a final opportunity for the public to provide input to the design and priority of the suggested amenities;
  - (c) Instruct staff to forward a report to Council, complete with recommendations on the matter, after the public open house, but prior to proceeding with construction of the amenities; and
  - (d) Instruct staff to utilize appropriate legal instruments including, without limitation, restrictive covenants and statutory rights-of-way on the title of appropriate lands within



the Morgan Creek community that will document the agreement between the City and the owner of the golf course, regarding the pathway system; and

4. Authorize the City Clerk to forward a copy of this report and the related Council resolution to the Rosemary Heights Residents Committee and the Morgan Heights Homeowners Association.

## **INTENT**

The purpose of this report is to:

1. Inform Council about the objections of the Rosemary Heights Resident's Committee (RHRC), regarding the City's estimated value of the unconstructed portion of the Morgan Creek Golf Course pathways approved under Development Permit No. 6792-0106-00;
2. Inform Council about the results of the detailed review undertaken by the City, regarding the estimated value of the unconstructed portion of the Morgan Creek Golf Course pathways in response to the concerns raised by RHRC; and
3. Seek Council's authorization to update the final estimated value of the unconstructed pathways, based on the results of the recent review and to proceed with the recommendations in Corporate Report No. R003, based on the amended value.

## **BACKGROUND**

Corporate Report No. R108, entitled "Pathways and Other Amenities in Morgan Creek" was considered by Council at its Regular Meeting on May 2, 2005 (Appendix "A" to Appendix 1). The report was the result of extensive discussion with the developer of the Morgan Creek Golf Course (Morgan Creek Holdings Ltd.) and addressed the issue of public access pathways through the golf course that were required as part of the Development Permit (No. 6792-0106-00) that was approved and issued for the golf course. The report documented that some sections of the pathway system were not constructed due to the golf course owner's concerns about the safety of the public and liability, and provided a detailed inventory and cost evaluation of the unconstructed pathways and amenities.

Corporate Report No. R108 further documented that Morgan Creek Holdings Ltd. has offered to provide alternative amenities in the Morgan Creek community, or funds-in-lieu of the unconstructed pathways. The report included a list of some possible alternative amenities that could be considered. Council endorsed the following recommendations:

- "1. Instruct the developer to work with City staff in organizing and conducting a public information meeting to obtain input from the public with respect to the possible alternative use of the funds that will be made available in lieu of the construction for the pathways and other amenities in the Morgan Creek development: and

2. Instruct staff to forward a report to Council after the public information meeting, documenting the results of the meeting and including recommendations”.

### **Community Consultation on Alternative Amenities**

In accordance with Council's direction, staff worked with the developer and the Morgan Creek Homeowners Association (MCHA), and a Public Information Meeting (PIM) was held on June 29, 2005. Several alternative amenities were discussed with the community, including completion of three sections of pathways leading away from the golf course fairways, two enhanced pedestrian crossings within the Morgan Creek residential area, and seven additional view points. Staff completed the review of the public's preferences for alternative amenities in lieu of unconstructed pathways and amenities, and reported back to Council on the results of the community consultation under Corporate Report No. R003 (Appendix 1).

Council approved the following recommendations contained in Corporate Report No R003:

- "1. *Approve, in principle, the list of amenities suggested by the Morgan Creek Homeowners Association, as documented in the report;*
2. *Authorize staff to work with representatives of the Morgan Creek Homeowners Association to further detail the design, location, construction and maintenance costs and priority related to such amenities and, subsequently, to hold another public open house to provide a final opportunity for the public to provide input to the design and priority of the suggested amenities;*
3. *Instruct staff to forward a report to Council complete with recommendation on the matter after the public open house, but prior to proceeding with construction of the amenities; and*
4. *Instruct staff to utilize appropriate legal instruments including, without limitation, restrictive covenants and statutory rights-of-way on the title of appropriate lands within the Morgan Creek community that will document the agreement between the City and the owner of the golf course regarding the pathway system”.*

Prior to proceeding with Council's recommendations, staff received a submission from RHRC representatives objecting to the earlier Corporate Reports ("Report on the Morgan Creek Pathway System", February 6, 2006 attached as Appendix 2). The submission specifically objected to the City's cost estimates and valuation of the unconstructed pathways and amenities, which forms the basis of the alternative amenities under discussion with the community. This value was estimated by the City in Corporate Report No. R108 (May 2005), as \$329,954.00. The RHRC estimates this value at \$7,901,000.00.

## **Rosemary Heights Residents Committee (RHRC) Concerns**

Staff met on several occasions with RHRC representatives to discuss the various concerns raised in the RHRC Report, including disagreements on pathway and landscaping construction unit rates, maintenance allowance, pathway length and size, gazebo construction costs, and other elements of the valuation. Staff also consulted with the Morgan Creek Homeowners Association (MCHA) and the developer, Morgan Creek Holdings Ltd. on the RHRC submission.

MCHA representatives have advised that they were not consulted nor involved in the preparation of the RHRC submission and they neither endorse nor object to the issues raised by RHRC.

A copy of the RHRC submission was forwarded to the developer, Morgan Creek Holdings Ltd. for their review and comment. The developer provided a written response to the City, disputing the information presented by RHRC. The developer also indicates that they have cooperated with the City and have fully complied with the process, to date, which has resulted in a negotiated agreement based on the requirements of the approved Development Permit No. 6792-0106-00 (Appendix 3). The developer also maintains that a surplus of public pathways were provided in subsequent subdivision phases to the north. The developer has declined to review the valuation again, and has stated their intention to continue to work with staff to proceed with Council's recommendations under Corporate Report No. R003.

In the interest of bringing this matter to a conclusion, staff has undertaken a final detailed examination of the valuation estimate for the unconstructed pathways and amenities required under Development Permit No. 6792-0106-00, in light of the objections raised by RHRC in their submission. The review has been conducted by the Planning and Development Department in cooperation with other City staff, including representatives from Legal Services, Engineering and Parks, Recreation & Culture, and is discussed below.

## **DISCUSSION**

### **Development Permit No. 6792-0106-00**

The Morgan Creek Golf Course pathways were required as part of the approval of the Morgan Creek Golf Course under Development Permit No. 6792-0106-00. The Development Permit was approved in 1995. The public access pathways and amenities were required as a way of ensuring that the golf course was integrated with the surrounding residential community and did not appear to be exclusionary "open space" within the neighbourhood, as much of the neighbourhood was being built around the course.

Development Permit No. 6792-0106-00 provides details regarding the development of the 18-hole golf course, as well the required pathways, fencing along residential properties, landscaping and other amenity requirements, such as public viewpoints and a gazebo (attached to Corporate Report R108 as Appendix I). All of the required amenities in this Development Permit have been evaluated to determine the appropriate values for

alternative amenities that could be constructed in lieu of the original amenities. The pathways and amenities were provided in addition to park requirements, which were met through the payment of Development Cost Charges that included a park acquisition component. The pathways and amenities were provided as a way of ensuring the golf course became part of the community.

The Development Permit specifies the pathways to be built, the location of a gazebo and required viewpoints, and the buffering locations. The attachments to the permit include a specific gazebo plan, a typical 2.5 metre limestone pathway section within a buffer area of the golf course, existing or supplementary landscaping on the fairway side of the path, and fence details noting permissible fence types (split rail and, to a lesser extent, chain link), which the golf course may employ. In order to secure these items, the Development Permit required security (valued at 100% of associated costs) in the following amounts:

(i)	<i>Landscaping for pathways and buffer areas</i>	\$ 82,700
(ii)	<i>Construction of pathways</i>	\$ 89,200
(iii)	<i>Installation of fencing</i>	\$ 48,000
(iv)	<i>Construction of gazebo</i>	\$ 19,440
	<i>(Total Financial Securities Originally Held</i>	<i>\$239,340)</i>

The City continues to hold the financial securities submitted by the developer for the construction of the golf course pathways and gazebo required under Development Permit No. 6792-0106-00. The landscaping and fencing components were deemed completed as part of the completion of the golf course and the majority of the residential lots, and were subsequently inspected and released by the City. The total amount of securities currently held by the City is \$116,910.

### **Outstanding Development Permit Items**

To date, the developer has completed approximately 1,864 linear metres of golf course pathways and 3,500 linear metres of fencing and landscaping between the golf course and abutting residential lots. As noted in the previous Corporate Reports, the following items required under Development Permit No. 6791-0106-00 remain outstanding:

- Construction of 3,205 linear metres of pathways;
- Landscaping along the fairway pathways;
- Maintenance allowance for unconstructed pathways; and
- A gazebo and 3 public viewpoints.

A summary of all of the completed and outstanding elements related to the Morgan Creek pathways and amenities required under the Development Permit, including the discrepancy between the City's position and the request by RHRC on each issue, is provided below. The value of the outstanding components has been updated to 2006 to account for increased construction costs over the last 18 months, since the estimate that was documented in Corporate Report No. R108 (May 2005).

**Construction of Pathways**

Development Permit Requirement:	\$ 89,200
Status: 1,864 linear metres completed; 3,205 metres of path outstanding	
2004 City requirement for Outstanding Item:	\$118,585
Updated 2006 City requirement for Outstanding Item:	<b>\$130,443</b>
 RHRC request:	 \$245,600

A comparison of the City and RHRC estimate for fairway pathway construction is shown below:

	Cost Estimate	Pathway Length	Pathway Width	Installation Estimate	Assumptions
City Position	\$118,585  Updated 2006 Rate: <b>\$130,443</b>	3,205 linear metres	2.5 m	2004: \$37 per linear metre  2006: \$44.50 per linear metre **	* assumes regrading and site preparation already completed for golf course; reduced labour costs due to economies of scale ** updated construction cost to 2006
RHRC Position	\$245,600	3,565 linear metres	2.5 m	\$68.90 per linear metre	

City Position: Some of the pathways were completed; however, the City continues to hold securities for the fairway pathways that were not constructed. There are approximately 3,205 metres of pathways that have not been constructed to date. The pathway was expected to be a 2.5 metre wide crushed limestone path. Little or no site preparation costs were assumed to be required for the purpose of valuation, as site preparation and regrading would have been completed as part of the construction of the golf course and fairways. Also, labour costs would be absorbed by the golf course as part of the normal construction and maintenance functions of the golf course and, thus, would also be reduced.

The City's Parks, Recreation and Culture Department advised in 2004 that the cost associated with this type of path is \$14 to \$16 per square metre all inclusive, which results in approximately \$40 per linear metre (at 2.5 metres in width) with a deduction of \$3 per linear metre for labour/site preparation costs. This resulted in an estimate of \$37 per linear metre and equated to a total of \$118,585 for the 3,205 metres of unconstructed pathway in 2005.

The Parks, Recreation and Culture Department advises that a 10 % increase should be applied to account for increased construction costs over the last 18 months. The total 2006 estimate for unconstructed pathways is \$130,443.

RHRC Position: RHRC estimated that there are 3,565 metres of unbuilt pathways. RHRC also estimated 2.5 metres of limestone path at a cost of \$68.90 per linear metre. RHRC uses a figure that includes site preparation costs (assumed by the City to have

been completed as part of the golf course preparation and regrading) and no absorption of labour costs by the golf course into existing labour.

***Landscaping for Pathways and Buffer Areas***

Development Permit Requirement: \$ 82,700  
 Status: Buffer Areas completed; some pathway landscaping outstanding  
 2004 City requirement for Outstanding Item: \$ 57,720  
 Updated 2006 City Requirement for Outstanding Item: **\$ 63,492**

RHRC request: \$654,000

*A comparison of the City and RHRC estimate for pathway landscaping is provided below:*

	Cost Estimate	Pathway Length Required to be Landscaped	Width of Additional Landscaping Strip	Amount of Landscaped Area	Installation Estimate	Assumptions
City Position	\$57,720  Updated 2006 Rate: <b>\$63,492*</b>	1,480 linear metres **	1.5 m	One side landscaped only***	\$39 per linear metre ****	* updated landscaping cost to 2006 ** Path length reduced from 3,205 linear metres to 1,480 linear metres on the assumption that path would not extend around tee boxes, greens, etc. *** assumes one side only as existing trees and landscaping incorporated **** assumes grading and site preparation already completed and reduced labour costs due to economies of scale
RHRC Position	\$654,000	2,180 linear metres	7.0 m	Both sides landscaped	\$42.85 per square metre	

City Position: The proposed landscaping/buffering under the Development Permit for the golf course was deemed completed as required and signed off by the City as part of the completion of the golf course.

In 2005, the City assigned a value of \$57,720 for the pathway-related landscaping that would have been required along the unconstructed portions of the pathway system. The base unit cost utilized by the City is \$39 per linear metre for landscaping. Standard landscaping costs, as provided by the Parks, Recreation and Culture Department, are \$20 per square metre for shrub beds and were factored at 1.5 metres of landscaping, with one tree per 75 metres. This estimate assumed that regrading and surface preparation is not

needed, as it would have been completed as part of the construction of the golf course fairways, and that some of the existing landscaping and trees would have been retained and utilized. Therefore an equivalent area of only one side of the pathway would need to be landscaped. In addition, not all of the pathways would be fully landscaped, given the location of play areas and tee boxes. Therefore a corresponding reduction in the amount of required landscaping has been estimated.

On this basis, the City estimate assumed 1,480 metres of pathway would need some additional landscaping on one side. As with the pathway construction estimate, the City estimate for landscaping installation also acknowledges the economies of scale that would be realized by Morgan Creek Holdings Ltd. in terms of labour costs for the construction of the landscaping, as part of their overall golf course landscaping and maintenance.

The Parks, Recreation and Culture Department advise that a 10% increase should be applied to update the landscaping installation estimate to 2006. All of the other assumptions related to length and area of landscaping, noted above, remain the same. This increase brings the landscaping estimate up to \$63,492.

RHRC Position: The RHRC uses a 7-metre width landscaping area for 2,180 metres of path. This assumption is not supported in the approved Development Permit. In addition, RHRC has assumed unit costs of \$300 per linear metre. This is approximately \$42.85 per square metre, which is double the City's landscaping estimates. In addition, the RHRC has interpreted the area defined in the permit as to require landscaping on both sides of the path and has treated it as if no landscaping ever existed on the golf course and site preparation had never been completed.

### ***Installation of Fencing***

Development Permit Requirement:	\$ 48,000
Status: Approx. 3,500 linear metres completed	
City requirement for Outstanding Item:	<b>nil</b>
RHRC request:	\$126,400

City Position: The Development Permit identified permitted types of fencing (split rail, and some chain link in specific locations), but did not specifically identify a length or location of required fencing. The original intent was to provide fencing between residential lots and the golf course, rather than along the required pathways.

A 2006 site review shows that approximately 3,500 linear metres of perimeter fencing (mostly split rail fencing between the golf course and abutting residential lots) has been completed. In some areas, rock feature landscaping was used instead of fencing; in other areas where private yards abut the environmental areas and not the golf course, the owners did not want fencing. Some portions of fencing are in the process of being completed. There are some locations of fencing that have been removed at the owner's requests or are not required due to the specific interface condition. Along the golf course, adjacent to the roadways, all of the fencing is complete. The City considers the fencing requirement completed.



RHRC Position: RHRC has estimated 2,180 linear metres of perimeter fencing is required, on the assumption that split rail fencing would be provided along all of the pedestrian pathways between the path and playable portion of the golf course. The Development Permit does not support this assumption. RHRC has used \$58 per linear metre for split rail fencing.

***Construction of Gazebo and Three Viewpoints***

Development Permit Requirement:	\$ 19,440
Status: Not constructed	
City requirement for Outstanding Item:	\$ 32,000
Updated City Requirement:	<b>\$ 57,000</b>
RHRC request:	\$ 67,000

City Position: The gazebo was detailed in the Development Permit as a wood construction with low stone knee walls, stamped concrete base, cedar shingle and decorative weather vane. The viewpoints were not detailed in the Development Permit. Staff have revisited the previous estimate included in the original Corporate Report for the gazebo (\$20,000) and recommend that this be increased to \$45,000 to reflect more accurate construction costs, based on the details in the Development Permit. Morgan Creek Holdings also acknowledges this discrepancy and has agreed to increase this amount. Each viewpoint has been estimated at \$4,000, based on the inclusion of benches, hard surfacing and landscaping. The three view points, in addition to the gazebo, will result in a revised total of \$57,000.

RHRC Position: RHRC has estimated the price of the gazebo and viewpoint features to be higher than the City estimate, likely due to the differences in assumed labour costs.

***Maintenance for pathways***

City Requirement for Pathway Maintenance:	<b>\$ 108,329</b>
RHRC request for Pathway Maintenance:	\$1,108,000

City Position: In addition to the costs associated with the original Development Permit, the developer has agreed to contribute an associated pathway maintenance cost, recognizing that the savings in maintenance to the developer in not constructing the pathways. The Parks, Recreation and Culture Department estimates a unit rate of \$1.69 per linear meter for annual maintenance, based on a pathway length of 3,205 linear metres of pathway, for 20 years. Accordingly, the City has estimated this value at \$108,329.

RHRC Position: RHRC has assigned "maintenance in perpetuity" to the unbuilt portions of the pathways in their calculation of a maintenance value. RHRC has assumed an annual replacement and upkeep costs for the pathway system, which includes resurfacing, landscaping, fencing, and various costs associated with viewpoints and gazebo. They have averaged the annual maintenance cost at \$36,010. This estimate is contrary to the developer's estimate of cost, which is based on knowledge of their maintenance and

upkeep of the existing golf course. On this basis, RHRC has requested that the maintenance value be increased to \$1,108,000.

***Land Value for Pathways***

City Requirement:	<b>nil</b>
RHRC request for Land Value Compensation:	\$ 5,700,000

City Position: The City has not assigned a land value to the unconstructed pathways, as the pathways were always assumed to be part of the golf course lands, therefore, the elimination of the pathways would not result in an increase in land available for development. The area of the golf course remains the same with or without the pathways. In addition, a detailed examination of the subdivision plans was conducted by staff for the lands around the golf course and it was determined that the present golf course boundaries remain nearly unchanged from what was originally approved. Therefore, no additional lots have been gained by the Morgan Creek developers through the elimination of the pathways.

RHRC Position: The RHRC has included land value in their cost estimation. They have assigned a market value based on a width of 18 metres of golf course lands and a length of 3,200 linear metres of pathways. The 18 metre width was derived from a sketch forming part of the original Planning Report seeking approval for Development Permit No. 6792-0106-00, which was identified as a "sample cross section" of where the pathways may be located. Staff have advised RHRC representatives that the sketch does not form part of Development Permit, but was shown as a sample condition that the golf course would work towards, but not necessarily be achieved in all cases. RHRC also assumes that the 18 metre width of golf course land should be considered "park" or some other public lands, rather than form part of the golf course as the City has suggested. Staff has advised that the golf course lands were never intended to be park space for the community and, thus, a value for the lands associated with pathway is not an appropriate cost. The developer of the Morgan Creek paid separately for park land acquisition purposes.

**Total Value of Unconstructed Pathways and Amenities**

The following provides a summary of the total estimated value of unconstructed pathways and amenities required from the developer, Morgan Creek Holdings Ltd. under Development Permit No. 6792-0106-00, with increases noted from 2004 to 2006 to account for recent inflation and increased construction costs over the last 18 months:

City Estimate for Unconstructed Pathways and Amenities	2005 estimate	Updated 2006 Estimate
Pathway Construction	\$118,585	\$130,443
Landscaping along Pathways	\$ 57,720	\$ 63,492
Gazebo and Viewpoints	\$ 32,000	\$ 57,000
Maintenance	\$108,329	\$108,329
<b>TOTAL</b>	<b>\$316,634</b>	<b>\$359,264</b>

In addition, as noted in the previous Corporate Reports, a portion of unconstructed pathway is located on the Dawson Lakewood Development. This was estimated at a value of \$13,320.00 in 2005. As with the other components, this estimate has been increased by 10% to account for construction cost increases up to 2006, bringing this estimate to \$15,000. Accordingly, the total estimated 2006 value of unconstructed pathways and amenities is **\$374,264**.

### Confirmation of Valuation

In order to test the City's calculated costs, staff conducted a construction price increase calculation based on the financial securities collected under the original Development Permit, which would have represented 100% of the value of the total pathways and other amenities as approved by the City Council of the day, reduced accordingly for the works already completed (i.e., fencing, some pathways and landscaping). Staff has applied a construction price index increase to bring the values of the unconstructed works up to present day.

<b>Securities Held Under Development Permit No. 6792-0106-00</b>	1995 Securities	Reduction Due to Completion	Outstanding Requirement
Pathway Construction	\$89,200	64% of pathways not constructed	\$57,088
Landscaping along Pathways and Buffer Areas	\$82,700	- 50% (buffers) completed - pathway landscaping outstanding (64% of \$41,350)	\$26,464
Gazebo and Viewpoints	\$19,440	- not constructed	\$19,440
Fencing	\$48,000	- completed	nil
Total Securities Held (1992)	<b>239,340</b>		
		Dawson Lakewood Development contribution	\$13,320
<b>TOTAL</b>			<b>\$116,312</b>

The total securities held under the original Development Permit amount to \$239,340. However, as shown on the above table, this value has been adjusted to eliminate the components already completed. The resulting amount is \$116,312. This represents the value of the components of the original Development Permit that have not been completed.

The construction price index, with 1997 as a base year (100) for the securities equalling \$116,312 (116,312 = 100), using the Canada January 2005 construction price index increase (133.2) applied to the securities (\$116,312 x 1.332). The resultant price, or increase in price associated with the approved items under the Development Permit, is **\$154,927**. In other words, this is the assumed estimated value for the total unconstructed pathways and other amenities calculated in 2005 dollars. When added to the current maintenance value of \$108,329, the total value is **\$263,256**.

This indexed estimate of the Development Permit securities (\$263,256) is within an acceptable range of the valuation estimate reached by the City and utilized as a basis for alternative amenities in the previous Corporate Reports, and proposed to be adjusted upwards from \$329,954 to \$374,264 to account for increased construction costs in the last 18 months and to update the gazebo estimate. On this basis, the City's valuation approach and final estimate is considered reasonable to obtain a fair compensation for the unconstructed pathways and other amenities in Morgan Creek, as required under Development Permit No. 6792-0106-00.

City staff recommend that the cash in lieu of construction amount payable by the Morgan Creek developer be increased from \$329,954 to **\$374,264**, which incorporates an acceptable 2006 construction cost for the gazebo and for the pathways and other amenities. All other components of the valuation assumed under the original estimate have been confirmed to be consistent with the requirements adopted under Development Permit No. 6792-0106-00.

Staff has advised the developer of the increased estimate, and the developer has accepted staff's revised 2006 cost valuation of \$374,264. The developer has also been advised that the cost estimate is valid until the end of 2006, beyond which the estimate will again be adjusted for inflation and construction cost factors. The developer has also agreed to move forward with the City on the next steps of the public process on this basis.

### **Rosemary Heights Residents Committee Consultation**

Staff has discussed the results of the latest comprehensive review with RHRC representatives at a meeting on July 19, 2006. RHRC representatives continue to object to the City's position on the proposed valuation for unconstructed pathways and amenities. Attached as Appendix 4 are previous letters submitted by RHRC, for reference. After staff discussing the general contents of this report with the RHRC representatives, they requested an opportunity to review this Corporate Report and provide further comments before the report was submitted to Council. This request was refused by staff as it is not consistent with City policy.

The RHRC Report, as well as the subsequent RHRC delegation to Council (February 20, 2006) respecting this matter, recommended that the City contract an independent third party to evaluate the funds-in-lieu. They recommended that the contract be paid for from the funds-in-lieu.

On the basis of the comprehensive review undertaken by staff of the calculated costs in Corporate Report No. R108, staff are of the opinion that a third party review is not required. Staff, therefore, recommend that Council approve an increase in the value of

unconstructed pathways and other amenities to be obtained from Morgan Creek Holdings from \$329,954 to \$374,264, and that staff proceed with the process that was approved by Council in relation to Council's consideration of Corporate Report No. R003.

### **Legal Review**

Legal Services has reviewed this report and has no concerns.

### **CONCLUSION**

Based on the information presented in this report, it is recommended that Council:

1. Receive this report as information;
2. Approve the amount of \$374,264 as the cash in lieu payment to the City from Morgan Creek Holdings Ltd. for pathways and other amenities that have not been constructed in the Morgan Creek development, but which were required under the related Development Permits;
3. Instruct staff to proceed with the recommendations previously endorsed by Council under Corporate Report No. R003 (attached as Appendix 1), based on the amended value of amenities documented in this report, as follows:
  - (a) Authorize staff to work with representatives of the Morgan Creek Homeowners Association to further detail the design, location, construction and maintenance costs and priority related to such amenities and, subsequently, to hold another public open house to provide a final opportunity for the public to provide input to the design and priority of the suggested amenities;
  - (b) Instruct staff to forward a report to Council, complete with recommendation on the matter, after the public open house, but prior to proceeding with construction of the amenities; and
  - (c) Instruct staff to utilize appropriate legal instruments including, without limitation, restrictive covenants and statutory rights-of-way on the title of appropriate lands within the Morgan Creek community that will document the agreement between the City and the owner of the golf course, regarding the pathway system; and

4. Authorize the City Clerk to forward a copy of this report and the related Council resolution to the Rosemary Heights Residents Committee and the Morgan Heights Homeowners Association.

*Original signed by*

How Yin Leung  
Acting General Manager  
Planning and Development

TW/RCA/saw

Attachments:

- Appendix 1- Corporate Report No. R003 (January 9, 2006)
- Appendix 2- RHRC Report (February 2, 2006)
- Appendix 3- Response Letter by Morgan Creek Holdings Ltd. (March 29, 2006)
- Appendix 4 - Letters from RHRC