

NO: R162

COUNCIL DATE: July 11, 2016

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **June 28, 2016**

FROM: **General Manager, Engineering**

FILE: **8214-0300-00-1**

XC: **7814-0300-00**

SUBJECT: **Development Cost Charge Front-Ending Agreement for Works that Support Development in the Fraser Heights Community**

RECOMMENDATION

The Engineering Department recommends that Council authorize the execution of a Development Cost Charge Front-Ending Agreement to an upset limit of \$389,800.00 (including all applicable taxes) with Qualico Developments (Vancouver) Inc. (the Developer) in relation to the construction of the sanitary sewer for the Fraser Heights community all as generally described in this report and in Appendix "I" attached to this report.

INTENT

The purpose of this report is to obtain approval for a Development Cost Charge Front-Ending Agreement (DCCFEA) as means by which to reimburse the Developer with a Sewer Development Cost Charge (DCC) that will be collected by the City from development on the benefiting properties, as illustrated on the map attached as Appendix "I", for some of the costs that the Developer will incur in constructing the sanitary sewer within the Fraser Heights community.

BACKGROUND

The use of a Sewer DCC to fund construction of the sanitary sewer is consistent with the provisions of the *Local Government Act* regarding development cost recoveries. The use of a DCCFEA, as recommended in this report, is in keeping with City policy regarding the use of such an Agreement as a means of financing the construction of services that are contained in the City's 10-Year (2016-2025) Servicing Plan.

DISCUSSION

The Developer is proceeding with development on multiple sites that are in the Fraser Heights community. The construction of the sanitary sewer is required to allow development to proceed on those sites and other lands in the benefiting properties which are illustrated in Appendix "I" attached to this report.

The DCCFEA, as proposed, will not significantly affect the reasonable implementation of the City's Sewer DCC program or the 10-Year (2016-2025) Servicing Plan.

The Developer will post securities for the construction of the sanitary sewer through a Servicing Agreement. The amounts to be collected from the benefiting properties under the DCCFEA will be finalized upon completion of construction of the works and on certified actual costs to a maximum upset limit of \$389,800.00.

Occupancy of the new houses/units on the benefiting properties will only be granted after the sanitary sewer has been accepted by the City.

FUNDING

The cost of the sanitary sewer construction will be front-ended by the Developer. The proposed DCCFEA has a term of 15 years, and will allow the Developer to recover some of the costs of constructing the works from a Sewer DCC that will be collected by the City from development on the benefiting properties, as illustrated on the map attached to this report as Appendix "I". The DCCFEA will expire 15 years after the Completion Date, regardless of the amount of the recoveries that is achieved by the Developer at that time.

SUSTAINABILITY CONSIDERATIONS

The proposed works and funding strategy to which this report refers support the objectives of the City's Sustainability Charter. In particular, the works and funding strategy relate to the Sustainability Charter themes of Built Environment and Neighbourhoods, Economic Prosperity and Livelihoods, and Infrastructure. Specifically, they support the following Desired Outcomes:

- Neighbourhoods and Urban Design DO 8: The built environment enhances quality of life, happiness and well-being;
- Economy DO6/SD5: Efficient land use and well-managed transportation (*and utility*) infrastructure are in place to attract businesses (*and residents*) and support a thriving economy—which will ensure infrastructure is in place to support businesses (*and homes*) as neighbourhoods develop; and
- All Infrastructure DO2: Infrastructure systems provide safe, reliable and affordable services.

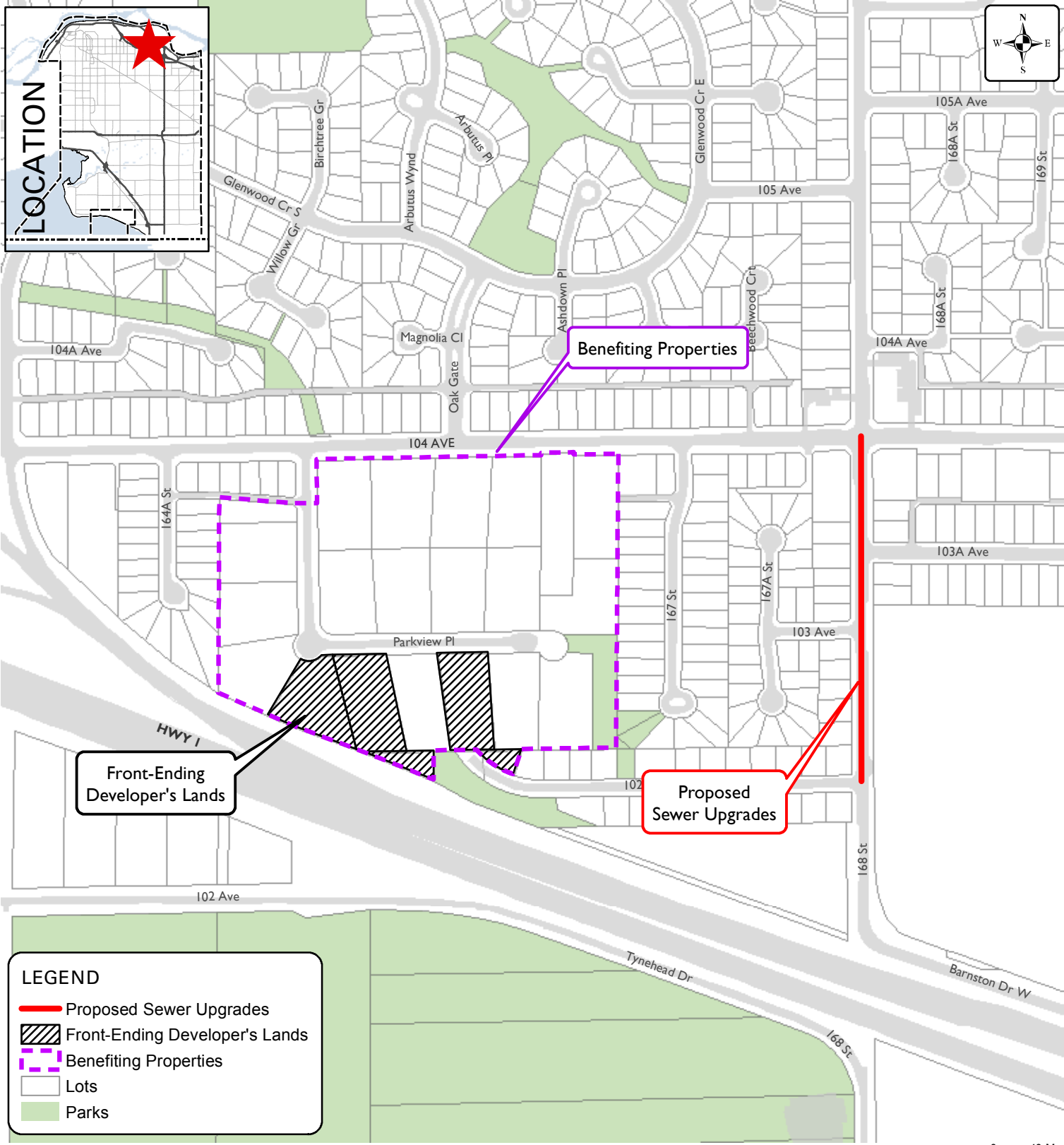
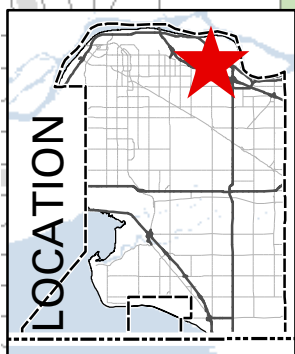
CONCLUSION

Based on the above discussion, it is recommended that Council authorize the execution of a Development Cost Charge Front-Ending Agreement to an upset limit of \$389,800.00 (including all applicable taxes) with Qualico Developments (Vancouver) Inc. in relation to the construction of the sanitary sewer for the Fraser Heights community all as generally described in this report and in Appendix "I" attached to this report.






Fraser Smith, P.Eng., MBA
General Manager, Engineering

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
Appendix "I" - Benefiting Area Map for the Proposed Sewer DCC Front-Ending Agreement



LEGEND

-  Proposed Sewer Upgrades
-  Front-Ending Developer's Lands
-  Benefiting Properties
-  Lots
-  Parks

Produced by GIS Section: 16-Jun-2016, EM9

Scale: 1:5,000 



Benefiting Area Map for Proposed Sewer DCC Front-Ending Agreement

ENGINEERING DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.