

NO: R184

COUNCIL DATE: September 11, 2017

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## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **September 7, 2017**

FROM: **General Manager, Engineering** FILE: **8740-01**

SUBJECT: **Surrey Newton Guildford Light Rail Transit Project  
Memorandum of Understanding**

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## RECOMMENDATION

The Engineering Department recommends that:

1. Council approve entering into a Memorandum of Understanding with TransLink for the advancement of the Surrey-Newton-Guildford Light Rail Transit project; and
2. The Mayor be authorized to execute the Memorandum of Understanding.

## INTENT

The purpose of this report is to present the agreement process and the Memorandum of Understanding (“MOU”) for the Surrey-Newton-Guildford Light Rail Transit (“SNG-LRT”) project, as developed jointly by TransLink and City of Surrey staff for review and execution. This report outlines the key points of the MOU, with discussion on their implications, and seeks Council direction and authorization on the execution of the MOU.

## BACKGROUND

In June 2014, the Mayors’ Council Vision adopted the construction of 27 kilometres of Light Rail Transit (“LRT”) for the City of Surrey and surrounding South of the Fraser communities. The Vision’s objective is:

*To build and bring into service the first two lines – 104 Avenue and King George Boulevard – in the first 7 years of the Vision. Design and construction on the Fraser Highway line will commence within the first 8 years and go into service within the first 12 years.*

Since January 2015, design work has commenced for Phase 1 of the LRT project, the Surrey-Newton-Guildford (“SNG”) Line where light rail service will run on 104 Avenue from Guildford Town Centre to Surrey City Centre, and on King George Boulevard connecting Surrey City Centre to Newton Town Centre. The reference design for the SNG Line is nearing completion which will enable the project business case to be prepared for BC Treasury Board’s review and approval.

It was the expectation of the Mayors' Council Vision that a partnership agreement involving TransLink and the host municipality be developed for the delivery of major capital projects such as Surrey LRT. The agreement will: ensure effective regional coordination through strong partnerships; establish the level of funding that is stable, sufficient, appropriate and influences travel choices; and provide the mechanism to monitor progress towards the desired outcomes.

## **DISCUSSION**

### **Negotiation Framework**

In February 2017, TransLink and Surrey initiated the agreement process by developing the negotiation framework with the intent that it will guide the negotiation and development of the MOU and inform successive agreements between TransLink and the City. The framework included the following guiding principles as part of the Terms of Engagement to ensure constructive dialogue and the expeditious development of the agreements:

- Respect jurisdictional mandates;
- Commit resources;
- Acknowledge LRT Vision, project benefits and involvement;
- Commit to establishing a dispute resolution protocol; and
- Establish an internal approval process.

The key objectives of the negotiation framework are to:

- Optimize performance of the negotiation process and the eventual project in achieving local, regional and provincial objectives;
- Enshrine the Terms of Engagement to guide the interaction between the City and TransLink in negotiating the agreements;
- Effectively integrate parties, identifying common ground and shared objectives to ease the negotiation process and create project alignment;
- Increase certainty around the scope and timing of the agreements and the project itself, including associated planning, policies and other investment and funding needed to support the project; and
- Provide clarity on terms and condition of each party's respective roles, responsibilities and obligations in the delivery of the agreements and eventual project.

### **Three-Phased Project Partnership Agreement Process**

In collaboration with the City, TransLink has established a three-phased partnership agreement process consistent with the Mayors' Council Vision and previous TransLink dialogue with member municipalities regarding the 10-Year Investment Plan. The successive agreement and their corresponding project phases are presented as follows:

MOU	Concept Phase
Supportive Policies Agreement	Design Phase
Master Agreement	Implementation Phase

The following sections of the report will focus on the description of the MOU and the different agreements anticipated to be drafted for the design and implementation phases of the project.

### **Memorandum of Understanding – Concept Phase**

The MOU is a statement of intent summarizing the collective wishes of TransLink and the City as captured during the Concept Phase of the project. The MOU is intended to advance the development of the Supportive Policies Agreement in the Design Phase of the project. The following are the key elements of the MOU:

- Commitment by TransLink and Surrey
- Assignment of Commitment
- Vision and Project Objectives
- Project Scope
- TransLink’s Roles and Responsibilities
- Surrey’s Roles and Responsibilities
- Joint Roles and Responsibilities
- Supportive Policies Agreement
- Project Master Agreement

In the preamble of the MOU, reference is made to the full scope of the Surrey project as 27 kilometres of LRT endorsed by the Mayors’ Council Vision. The LRT Vision, approved by Council in February 2017, is adopted as a part of the overall project objective and the MOU made a point to emphasize that the project is intended to bring the LRT Vision to fruition.

Staff have reviewed the MOU and are satisfied that the contents are consistent and appropriate for its intention of advancing the development of the Supportive Policies Agreement in the Design Phase of the project. The MOU clearly stated that it can be revisited by TransLink and the City to ensure that it continues to meet the project needs and is conducive to the development of successive agreements. The full MOU is presented in Appendix “I” attached to this report.

### **Supportive Policies Agreement – Design Phase**

During the Design Phase, when project elements such as reference design concept, urban integration and cost estimates are being finalized, the Supportive Policies Agreement will be prepared to correlate the design specific items with supportive land use and transportation policies, actions and investments by TransLink and the City to meet project objectives. It is intended that the Supportive Policies Agreement, subject to Council’s approval, will be completed prior to the start of the project procurement process.

### **Project Master Agreement – Implementation Phase**

This third and final agreement encompasses a full list of project items that details the collaborative relationship between TransLink and the City in the successful delivery of the project and operations. The following items will be included in the Project Master Agreement:

Asset Ownership  
Public Realm  
Utilities  
Traffic Management  
Road and Utility Maintenance  
First Response  
Dispute Resolution

System Operations and Maintenance  
Public Art  
Traffic Signal and Integration  
System Testing and Commissioning  
Snow Clearing  
Communications Protocol

Subject to Council's approval, the Master Agreement will be completed prior to the issuance of the Request for Proposal.

## **SUSTAINABILITY CONSIDERATIONS**

The approval of the MOU for the SNG-LRT project is consistent with the objectives of the City's Sustainability Charter. In particular, the construction of LRT relates to the Sustainability Charter themes of Built Environment and Neighbourhoods, and Infrastructure. Specifically, the MOU supports the following Desired Outcomes:

- Neighbourhoods and Urban Design DO2: Surrey is well-connected within the City and to the rest of the region by fast and efficient public transit and active all-ages-and-abilities transportation infrastructure; and
- Transportation DO11: An integrated and multi-modal transportation network offers affordable, convenient, accessible and safe transportation choices within the community and to regional destinations.

## **CONCLUSION**

Based on the above discussion, it is recommended that Council approve entering into the MOU with TransLink for advancing the SNG-LRT project towards procurement and developing the necessary successive agreements between TransLink and the City.

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

PL/cc

Appendix "1" – Memorandum of Understanding, Surrey Light Rail Transit,  
Phase 1 – Surrey-Newton-Guildford Light Rail Transit Project,  
Between TransLink and Surrey, Version 14 – August 18, 2017

**MEMORANDUM OF UNDERSTANDING**

concerning

**Surrey Light Rail Transit  
Phase 1 – Surrey-Newton-Guildford Light Rail Transit Project**

between

**South Coast British Columbia Transportation Authority  
("TransLink")**

and

**City of Surrey  
("Surrey")**

Made as of the \_\_ day of September, 2017

Version 16 – September 3, 2017

**WHEREAS:**

- TransLink, as the Regional Transportation Agency, has the mandate to plan, prioritize, secure funding and deliver transportation and transit projects and create an integrated transportation and transit system within the Greater Vancouver Regional District as per the *South Coast British Columbia Transportation Authority Act*;
- In the 2014 Mayors' Council *Regional Transportation Investments, a Vision for Metro Vancouver* (the "Mayors' Vision"), the Mayors' Council identified a 27-kilometre South of Fraser Light Rail Transit ("LRT") network as a priority to ensure that the transportation needs of the region are met;
- The Mayors' Vision includes the implementation of the first phase of the South of Fraser LRT network that comprises a 10.5 km LRT line extending from Guilford Town Centre to Newton Town Centre via Surrey Centre (the "Project");
- The Project will help reduce traffic congestion and increase transit network capacity to help meet the transportation goals for the region.
- Surrey, as the Host Municipality of the Project has the mandate to provide good governance within its municipal boundaries pertaining to the exercise of powers and duties provided to it as per the *Local Government Act*;
- The Mayors' Vision calls on the parties to enter into a Project Partnership Agreement ("PPA") whenever the region is making a major investment involving significant cost and risk and whose success depends on higher degrees of coordination, collaboration and mutually supportive actions by multiple partners, including the Project;
- Both TransLink and Surrey have significant roles and responsibilities with respect to the Project, the details of which will be included in a subsequent Supportive Policies Agreement ("SPA") and a subsequent Project Master Agreement to be entered into by TransLink and Surrey; and
- TransLink and Surrey are committed to implement the Project to help transform Surrey into connected, complete and livable communities, making the city and region more vibrant, accessible, competitive and sustainable.

**THEREFORE:****COMMITMENT:**

TransLink and Surrey affirm their full public commitment to proceed expeditiously and in good faith to take all actions to facilitate, expedite and support the successful procurement, design, construction, operation and maintenance of the Project.

TransLink commits to funding, procuring and delivering the Project as per an Investment Plan to be approved by the TransLink Board of Directors and the Mayors' Council.

Surrey commits to support TransLink in the procurement, delivery and implementation of the Project by, among other actions, minimizing and streamlining municipal approvals to ensure Project delivery timelines are achieved;

publically supporting the Project; and helping to manage expectations and mitigate impacts during and after Project construction.

Surrey further commits to take proactive steps to advance integrated land use and transportation planning along the Project corridors by promoting residential, business and institutional growth to maximize transit ridership in the short, medium and long terms. Surrey's commitment will be guided by its Official Community Plan, Sustainability Charter, and other relevant planning policies, reflecting generally accepted Transit-Oriented Communities Design Guidelines; Surrey also commits to advancing policies supportive of the goals and targets identified in the Regional Transportation Strategy.

TransLink and Surrey affirm their commitment to implement short and long-term measures to prioritize transit services during Project construction and operation.

TransLink and Surrey commit to the development of a three-phased PPA, consistent with TransLink's PPA Framework. The MOU serves as the Concept Phase PPA. TransLink and Surrey commit to developing the SPA, which will fulfill the requirements of the Design Phase PPA and which will identify specific actions and policies to coordinate and integrate transportation and land use planning in the Project corridors. The Project Master Agreement will serve as the Implementation Phase PPA.

#### **ASSIGNMENT OF COMMITMENT:**

Until otherwise determined, TransLink will act as the Project Delivery Agent, Project owner and operator, responsible for all aspects of the Project's procurement, implementation and operations. In the event that another party replaces TransLink in all or part of this capacity, both parties agree to work cooperatively to maintain the commitments in this MOU and to support any necessary and mutually agreed assignment to a different party.

#### **VISION AND PROJECT OBJECTIVES:**

Surrey Council endorsed the following LRT Vision Statement: "Street-oriented LRT will transform Surrey into connected, complete and livable communities, making the City and region more vibrant, accessible, competitive and sustainable". To guide the implementation of the Project, TransLink and Surrey agree that the Surrey Council Vision Statement (the "LRT Vision") shall be adopted as part of the overall objectives of the Project. The Project is intended to bring the LRT Vision to fruition. The Project objectives, as fully supported by both TransLink and Surrey, are to:

- Increase transit capacity south of the Fraser River;
- Provide fast, more frequent, more reliable and safe transit service;
- Support the land use, environmental, sustainability and transportation objectives of the region and the municipality, as outlined in the Regional Growth Strategy, the Regional Transportation Strategy, and Surrey's Official Community Plan;
- Foster greater connectivity between communities and neighbourhoods;
- Improve access to destinations where people live, work, and play;
- Reduce congestion; and,

- Foster economic development through job creation and bringing new opportunity for development.

To advance the above objectives TransLink and Surrey will jointly develop performance measures to quantify and measure progress in advancing Project Objectives.

#### **PROJECT SCOPE:**

The Project generally consists of 10.5 kilometres of two-way street-level track along City Parkway, 102A Avenue, 104 Avenue and King George Boulevard, eleven LRT stops, a new LRT operations and maintenance facility, and the reconstruction of 104 Avenue and King George Boulevard to accommodate bicycles and pedestrians, all to be consistent with the Project Objectives. The Project will be fully integrated with TransLink's existing transit network and system including provision of integrated fare structures and utilization of the Compass automated fare payment and collection system.

#### **TRANSLINK'S ROLES AND RESPONSIBILITIES:**

TransLink will own the Project except for any infrastructure and assets currently owned or controlled by Surrey.

TransLink will manage the procurement and construction of the Project. TransLink has responsibility for and control over scope, budget, and scheduling of the design and procurement stage of the Project.

TransLink will design, procure and construct the Project and include in the design the ability for the Project to be extendable along Fraser Highway to Langley (Phase 2 of the 27km Surrey LRT), with any such extension to be determined based on intergovernmental discussions.

TransLink will operate and maintain (directly or through contract) the LRT system built through the Project as an integrated part of the region's transit system.

TransLink will continue to provide transit operations within the Project corridors throughout Project construction.

TransLink agrees to work cooperatively with Surrey to advance integrated land use and transportation planning by pursuing the actions set out in the SPA.

#### **SURREY'S ROLES AND RESPONSIBILITIES**

Surrey will continue to own road, traffic signal and municipal infrastructure assets that existed prior to the Project; Surrey will work with TransLink to ensure these assets are integrated seamlessly in service of the Project Objectives as applicable.

Surrey will support and actively participate in the design, procurement and construction and operations stages of the Project to expedite delivery and ensure municipal and regional objectives are met, and may provide input, assistance and suggestions to TransLink.

Surrey will be responsible for the review, approval, inspection, and acceptance of any municipal utility relocation and upgrading works undertaken by the Project.



Surrey agrees to implement transit-oriented land use policies and provisions in any relevant municipal plans and permit approval processes, to promote mixed-use densification along the Project corridors that is consistent with its Official Community Plan, Sustainability Charter and other relevant planning policies, reflecting generally accepted Transit-Oriented Communities Design Guidelines.

Surrey agrees to provide civic infrastructure to accommodate and support the Project.

Surrey will support TransLink's effective delivery of bus operations in the Project corridors during the Project construction period by facilitating roadway and infrastructure changes, supporting bus priority measures, prioritizing and expediting any required approvals, and supporting other short-term measures.

Surrey agrees to work cooperatively with TransLink to implement traffic management strategies during and after the Project to enable achievement of the Project Objectives, including implementing traffic management and road maintenance procedures that support the Project Objectives.

Surrey will provide emergency services (fire, enforcement) to support Project safety and operations during and after construction.

Surrey will provide access to streets (the "operating license area") necessary for the operation and day-to-day maintenance of the Project at no cost to the Project for as long as TransLink operates (directly or through contract) the Project.

#### **JOINT ROLES AND RESPONSIBILITIES**

TransLink and Surrey will be full partners in public community relations during Project development and construction.

#### **SUPPORTIVE POLICIES AGREEMENT**

The parties will work collaboratively to complete the SPA. The SPA will specify supportive land use and transportation policies, actions and investments to support Project objectives. It is intended that the SPA will be completed prior to the issuance of the Request for Proposals for the Project.

#### **PROJECT MASTER AGREEMENT**

The parties will work collaboratively to complete the Project Master Agreement prior to the issuance of the Request for Proposal documents. The Project Master Agreement will provide the details on the collaborative relationship between the City and TransLink to ensure successful Project delivery and operations. Items to be included in the Project Master Agreement:

- Asset Ownership
- System Operations and Maintenance
- Public Realm
- Public Art
- Utilities

- Traffic Signals and Integration
- Traffic Management
- System Testing and Commissioning
- Road and Utility Maintenance
- Snow Clearing
- First Response
- Dispute Resolution
- Communications Protocol

#### **GENERAL**

The parties will revisit this MOU as is necessary to ensure the MOU continues to meet the Project needs.

This MOU is a statement of intent to summarize the collective wishes of the parties. As the Concept Phase PPA, this MOU is intended to advance the development of the SPA and in turn the Project Master Agreement which will serve as the Implementation Phase PPA.

This MOU may be executed in counterparts, and when counterparts have been executed by the parties, each originally executed counterpart, whether a facsimile, photocopy, PDF or original, will be effective as if one original copy had been executed by the parties.

For certainty, the parties now confirm that this MOU does not create any legal rights or obligations and is not otherwise intended to be legally binding in any way.

#### **EXECUTION**

Executed by the Parties on the date written above.

**South Coast British Columbia Transportation Authority (TransLink)**

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**Kevin Desmond**  
**CEO**

**The City of Surrey**

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**Linda Hepner**  
**Mayor**