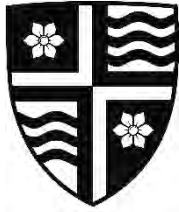


Township of
Langley



Est. 1873

REPORT TO MAYOR AND COUNCIL

PRESENTED: JULY 9, 2018 - REGULAR AFTERNOON MEETING
FROM: COMMUNITY DEVELOPMENT DIVISION
SUBJECT: DCC FRONTENDING AGREEMENT
VESTA PROPERTIES (LATIMER) LTD.

REPORT: 18-105
FILE: 08-26-0164

RECOMMENDATION:

That Council authorize staff to execute the Development Cost Charges Frontending Agreement with Vesta Properties (Latimer) Ltd., in the substantial form of a document presented as Attachment A, for the provision of off-site drainage infrastructure (stormwater detention facility) for the northeast phase of the Latimer Neighbourhood Plan area.

EXECUTIVE SUMMARY:

In October 2015, the Township received an application from Vesta Properties (Latimer) Ltd. (the "Developer") to rezone approximately 8.93 hectares (22.06 acres) to facilitate a mixed residential development consisting of 252 units (73 single family, 39 rowhomes, 18 semi-detached lots and 122 townhome units) in accordance with the Latimer Neighbourhood Plan. To support the development, the Developer is required to construct a community detention facility and extend municipal trunk storm sewer to the site.

To finance and complete municipal services necessary to support the proposed development at no cost to the Township, the Developer may be able to utilize one or more of the cost recovery mechanisms available within the provisions of the Local Government Act (the "Act") and the Community Charter (the "Charter"). These mechanisms include Latecomer Agreements, Development Works Agreements (DWA) and Development Cost Charge (DCC) Frontending Agreements.

Staff supports the proposed Development Works Agreement Bylaw 2018 No. 5401 and accompanying DCC Frontending Agreement to minimize DWA charges imposed on the benefiting lands, which is currently targeted for Council consideration of first, second and third readings at the Regular Evening Meeting on July 9, 2018, and consideration of final reading tentatively scheduled for July 23, 2018. The DCC Frontending Agreement, presented as Attachment A to this report, allows the Developer to recover DCCs collected from the benefiting area upon the Developer completing the required DCC works. The DCC Frontending Agreement is intended to work in harmony with the DWA to offset some of the costs borne by the Developer for works associated with the construction of the community servicing needs to allow development of the northeast phase of the Latimer Neighbourhood Plan area to proceed.

PURPOSE:

The purpose of this report is to obtain Council's approval to execute a DCC Frontending Agreement with Vesta Properties (Latimer) Ltd.

BACKGROUND/HISTORY:

In October 2015, the Township received an application from Vesta Properties (Latimer) Ltd. to rezone approximately 8.93 hectares (22.06 acres) to facilitate a mixed residential development consisting of 252 units (73 single family, 39 rowhomes, 18 semi-detached lots and 122 townhome units) in accordance with the Latimer Neighbourhood Plan. Council considered and gave first and second readings and the required public hearing was held on April 10, 2017. At its meeting of April 24, 2017, Council gave third reading to the bylaw.

To satisfy the rezoning servicing requirements, the Developer is required to construct a community detention facility as well as extend municipal trunk storm sewers to the site. These works will benefit other lands located in the northeast phase of the Latimer Neighbourhood Plan area. The Local Government Act and Community Charter allow the Developer to use cost recovery mechanisms such as a Development Works Agreement and DCC Frontending Agreement.

Staff supports the Developer's proposal to apply for a DCC Frontending Agreement and a Development Works Agreement which is currently targeted for Council consideration of first, second and third reading to Drainage Development Works Agreement (Vesta Properties (Latimer) Ltd.) Bylaw 2018 No. 5401 on July 9, 2018, with consideration of final reading tentatively scheduled on July 23, 2018.

The attached DCC Frontending Agreement and Development Works Agreement provide the Developer a cost recovery mechanism to compensate them for the upfront costs associated with the construction of the community detention facility and trunk storm sewer required to facilitate the development of the northeast phase of the Latimer Neighbourhood Plan area.

DISCUSSION/ANALYSIS:

The DCC Frontending Agreement proposed by the Developer is a cost recovery mechanism, similar in concept to a DWA in that the cost of the proposed infrastructure is to be allocated to new growth within a specified benefiting area with no cost to the Township. Where the proposed Agreement differs from a DWA is in the following areas:

- The recovery of the costs is limited to DCCs that will be collected from development within the benefiting area over the term of the DCC Frontending Agreement and does not include an additional charge;
- There is no requirement for a bylaw approval process; and
- The petition process, which is a mandatory requirement for a DWA, is not required subject to provisions outlined in the Community Charter.

The proposed DCC Frontending Agreement is for drainage works only. These drainage works are identified in the current 2012 DCC program and scheduled for construction within the next 15 years. The works have been estimated to have a total design and construction cost of approximately \$5,009,400.00. The Agreement is intended to have a term of 15 years, over which DCCs collected from the specified benefiting area shall be forwarded to the Developer, up to a maximum cost as prescribed in the DCC Bylaw. This second agreement provides the Developer with more assurance of cost recovery whilst providing the Township with necessary community related infrastructure to support development in the northeast phase of the Latimer Neighbourhood Plan area.

Applicable Policies:

Other existing Township bylaws and policies relevant to the attached Development Cost Charge Frontending Agreement are Subdivision and Development Servicing Bylaw 2011 No. 4861, as amended; Latecomer Policy No. 07-353; and Neighbourhood Plan Policy No. 07-220.

Financial Implications:

There are not expected to be any financial implications to the Township as the works are financed by the Developer. The municipal processing and administration costs are borne by the Developer, at an annual rate of \$500 (at 15 years equals \$7,500).

Respectfully submitted,

Dave Anderson
MANAGER, DEVELOPMENT ENGINEERING
for
COMMUNITY DEVELOPMENT DIVISION

CONCURRENCES	
Division / Department	Name
Finance Division	K. Sinclair

ATTACHMENT A DCC Frontending Agreement

TOWNSHIP OF LANGLEY
DEVELOPMENT COST CHARGES FRONTENDING AGREEMENT

Project 08-26-0164

THIS AGREEMENT dated for reference the _____ day of _____, 2018.

BETWEEN:

THE CORPORATION OF THE TOWNSHIP OF LANGLEY, a
municipal corporation under the Local Government Act of the
Province of British Columbia and having its offices at 20338 65
Avenue, Langley, British Columbia V2Y 3J1

(the "Township")

OF THE FIRST PART

AND:

VESTA PROPERTIES (LATIMER) LTD., a body corporate, duly incorporated
under the laws of the Province of British Columbia, having its place of business
at 101A, 9770 – 196A Street, Langley, British Columbia V1M 2X5

(the "Developer")

OF THE SECOND PART

- a) **WHEREAS** the registered owners in fee simple of the Benefiting Area (as hereinafter defined) are identified in the column entitled "Registered Owner(s)" in Schedule "A", attached hereto ("the Owners").
- b) **AND WHEREAS** real property within the specified benefiting area is identified in the column entitled "Legal Description" in Schedule "A", attached hereto (the "Benefiting Parcel").
- c) **AND WHEREAS** the real property within the Specified Benefiting Area is illustrated in Schedule "B", attached hereto (the "Benefiting Area").
- d) **AND WHEREAS** a storm sewer and related appurtenances as described in Schedule "C" are required to be constructed
- e) **AND WHEREAS** the Developer has undertaken the performance of its obligations required to be made pursuant to this Agreement.

- f) **AND WHEREAS** the Works are not currently scheduled for construction by the Township, but are contained within the Township's Engineering Servicing Plan
- g) **AND WHEREAS** the Developer has requested that the Township advance the construction of the Storm Drainage Works and has agreed to facilitate such construction for the development of the Benefiting Area.
- h) **AND WHEREAS** Section 560 of *the Local Government Act*, RSBC 2015, c. 1 and amendments thereto (the "*Act*") authorized Council to enter into an agreement with the Developer for the provision of the Storm Drainage Works by the Developer.
- i) **AND WHEREAS** Council adopted Development Works Agreement Bylaw 2018 No. 5401 on _____, 2018 authorizing the parties to enter into this Agreement pursuant to Section 560 of the *Act*, providing for the construction of the Works by the Developer.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of TEN (\$10.00) DOLLARS of lawful money of Canada and other good and valuable consideration now paid by each of the parties hereto, to each of the other parties hereto, the receipt whereof is hereby acknowledged, the parties hereto hereby covenant, promise and agree with each other as follows:

1. DEFINITIONS

In this Agreement and in the recital above:

"**Act**" means the *Local Government Act*, R.S.B.C. 2015, Chapter 1, as revised, re-enacted or consolidated from time to time and any successor statute;

"**Agreement**" means this agreement and all Schedules attached hereto, which form part of the agreement;

"**Benefiting Area**" means the real property identified in Schedule "B" attached hereto;

"**Capital Cost**" means actual costs incurred by the Developer to construct the Storm Drainage Works, which costs are estimated at \$14,309,205.00;

"**Council**" means the elected Council of the Township of Langley;

"**Developer**" means Vesta Properties (Latimer) Ltd.;

"**Development Cost Charge**" and "**DCC**" means a charge imposed pursuant to the Township's Development Cost Charge Bylaw;

"**Development Cost Charge Bylaw**" means the Development Cost Charge Bylaw 2012 No.4963, enacted by the Township under the *Act* as revised, re-enacted or consolidated from time to time and any successor bylaws;

"**Development Works Agreement Bylaw**" means the Drainage Development Works Agreement Bylaw 2018 No. 5401 adopted by Council on _____, 2018

authorizing the parties to enter into a development works agreement pursuant to Section 559 of the *Act*;

"General Manager of Engineering" means the General Manager of Engineering for the Township or his designate;

"Lot" means a development unit used either for single or multi-family use;

"Owner" or **"Owners"** means each of the registered owners in fee simple of the Benefiting Area as identified in the column entitled "Registered Owner(s)" in Schedule "A" attached hereto;

"Servicing Agreement" means a servicing agreement in form and substance acceptable to the General Manager of Engineering executed by the Developer with respect to the construction and provision of the Works under Township Project No. 08-26-0164;

"Subdivision and Development Servicing Bylaw" means the Township Subdivision and Development Servicing Bylaw 2011 No. 4861; enacted by the Township under the *Act* as such Bylaw is amended or replaced from time to time;

"Term" means the period of time this Agreement is in effect as specified in Section 4;

"Township" means the Corporation of the Township of Langley having its municipal office located at 20338 65 Avenue, Langley, British Columbia, V2Y 3J1; and

"Works" means Storm Drainage Works and related appurtenances substantially as described in Schedule "C";

2. AREA SUBJECT OF AGREEMENT

The Benefiting Area is the subject of this agreement

3. CREDIT FOR WORKS

- a) In consideration of the Developer entering into and fulfilling its obligations under Development Works Agreement Bylaw 2018 No. 5401, adopted by Council on _____, 2018, the Township agrees to credit the Developer the DrainageDevelopment Cost Charge for each additional lot created within the Benefiting Area but shall not exceed \$1,733,300.00 (adjusted when actual costs are determined) without interest.
- b) In the event of the assignment or transfer of the rights of the Developer voluntarily, or by operation of law, the Deputy Director of Finance shall pay any benefits accruing hereunder, after notice, to such successor of the Developer as the Deputy Director of Finance, in their judgment deems entitled to such benefits;

and in the event of conflicting demands being made upon the Township for benefits accruing under this Agreement, then the Township may at its option commence an action in interpleader joining any party claiming rights under this Agreement, or other parties which the Township believes to be necessary or proper, and the Township shall be discharged from further liability upon paying the person or persons whom any court having jurisdiction of such interpleader action shall determine, and in such action the Township shall be entitled to recover its legal fees and costs, which fees and costs shall constitute a lien upon all funds accrued or accruing pursuant to this Agreement.

4. TERM

- a) The term of this Agreement shall commence upon the execution date by the Township and shall expire no later than fifteen (15) years after that date (the "Term").
- b) In the case that the Developer fails to complete the Works within twenty-four (24) months after the agreement execution date, this Agreement shall lapse; provided, however, that the Developer may request to extend the period of this Agreement on such terms and conditions that the Township may deem reasonable.
- c) This Agreement shall terminate prior to the expiry of the Term in the event the Developer has been credited with the principal sum of \$1,733,300.00 (adjusted when the actual costs are determined) without interest.

5. INDEMNITY

The Developer covenants and agrees to indemnify and save harmless the Township against:

- a) All actions and proceedings, costs, damages, expenses, claims and demands whatsoever and by whomsoever brought by reason of the construction, installation, maintenance or repair of the works; and
- b) All expenses and costs which may be incurred by reason of the construction, installation, maintenance or repair of the works.

6. TOWNSHIP'S COSTS

The Developer shall pay to the Township, by cash or bank draft, prior to the Township executing this Agreement, a fee equivalent to \$7,500.00 for the preparation, registration and administration of this Agreement.

7. NOTICES

- a) Any notice, demand, acceptance or request required to be given hereunder in writing shall be deemed to be given if either personally delivered or mailed by registered mail, postage prepaid (at any time other than during a general discontinuance of postal services due to a strike, lockout or otherwise) and addressed to the Developer as follows:

Vesta Properties (Latimer) Ltd.
101A 9770 – 196A Street
Langley, BC V1M 2X5

or such change of address as the Developer has, by written notification, forwarded to the Township, and to the Township as follows:

Township of Langley
20338 65 Avenue
Langley, B.C. V2Y 3J1

Attention: Manager of Development Engineering

or such change of address as the Township has, by written notification, forwarded to the Developer.

- b) Any notice shall be deemed to have been given to and received by the party to which it is addressed:
- i. if delivered, on the date of delivery; or
 - ii. if mailed, then on the fifth (5th) day after the mailing thereof.

8. BINDING ON SUCCESSORS

- a) It is hereby agreed by and between the parties hereto that this Agreement shall be enforceable by and against the parties, their successors and assigns.
- b) The Developer shall not assign or transfer its interest in this Agreement without the prior written consent of the Township, which consent shall not be unreasonably withheld.

9. ENTIRE AGREEMENT

This Agreement constitutes the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes any prior agreements, undertakings, declarations or representations, written or verbal, in respect thereof.

10. LAWS OF BRITISH COLUMBIA

This Agreement shall be interpreted under and is governed by the applicable laws of Canada and the Province of British Columbia.

11. SCHEDULES

The Schedules attached hereto, which form part of this Agreement, are as follows:

- a) Schedule "A" – Owners and Benefiting Parcels
- b) Schedule "B" – Benefiting Area
- c) Schedule "C" – Description of the Works

IN WITNESS WHEREOF

the parties hereto have executed this contract the day and year first above written.

FOR CORPORATE
BODY

SIGNED BY:)
)
)
VESTA PROPERTIES (LATIMER) LTD.)
In the presence of:)
(witness):)
Signature _____)
Name _____)
Address _____)
Occupation _____)

FOR THE
CORPORATION OF
THE TOWNSHIP OF
LANGLEY

SIGNED BY GENERAL MANAGER,)
ENGINEERING & COMMUNITY)
DEVELOPMENT)
For and on behalf of)
THE CORPORATION OF THE)
TOWNSHIP OF LANGLEY)
)
)
**GENERAL MANAGER, ENGINEERING)
& COMMUNITY DEVELOPMENT**)

)
SIGNED BY TOWNSHIP)
CLERK)
For and on behalf of)
THE CORPORATION OF THE)
TOWNSHIP OF LANGLEY)
)
)
TOWNSHIP CLERK)

)
In the presence of:)
(as to both Township signatures))
)
)
_____)
Name:)
Address:)
Occupation:)

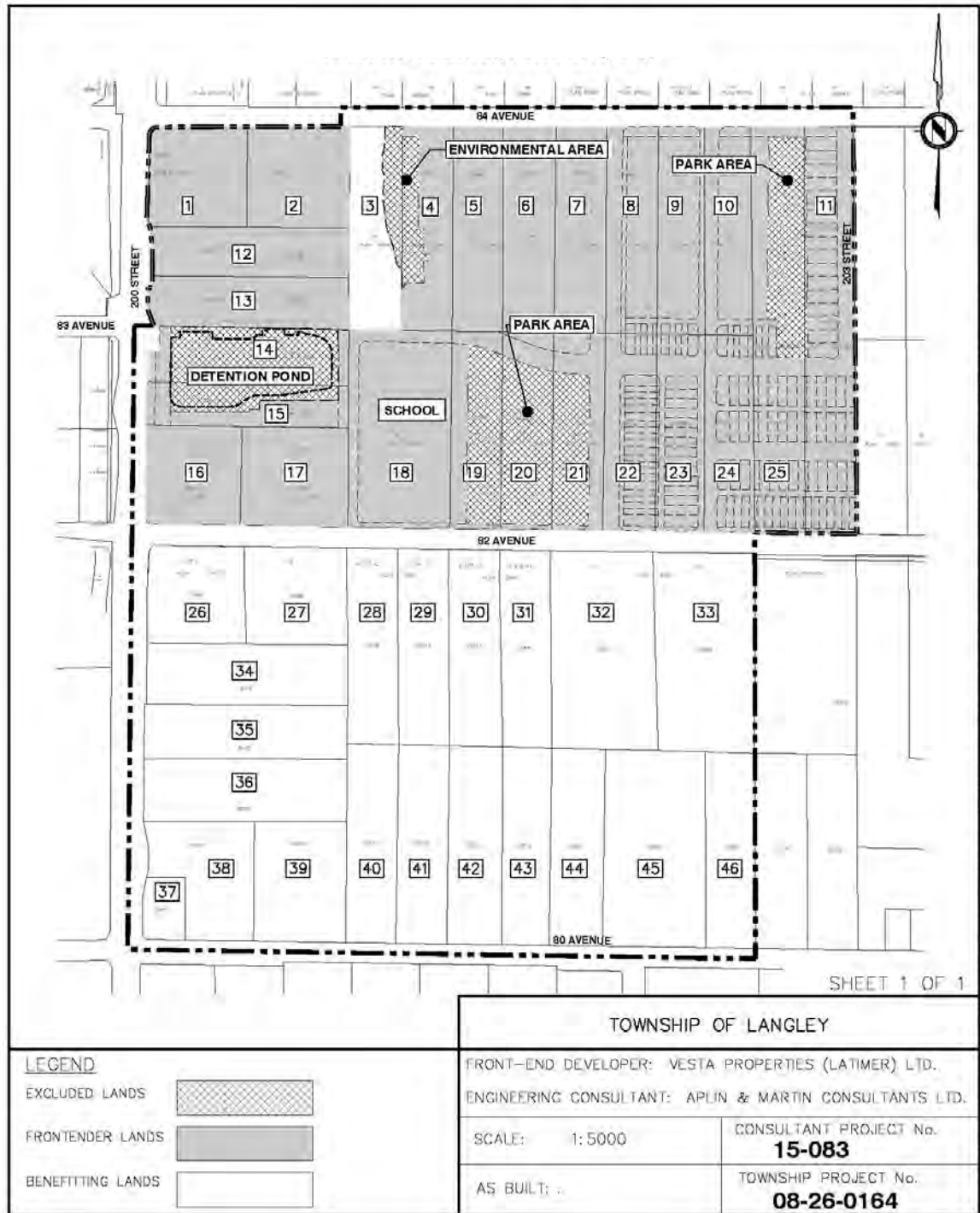
SCHEDULE "A"
OWNERS AND BENEFITING PARCELS

Map ID	PID	House	Street	Legal	Registered Owners
1	010-866-329	8384	200 ST	LT 20, SEC 26, TWP 8, NWD, PL NWP3295	VESTA PROPERTIES (LATIMER) LTD
2	010-866-264	20080	84 AVE	LT 20, SEC 26, TWP 8, NWD, PL NWP3295	VESTA PROPERTIES (LATIMER) LTD
3	003-205-215		84 AVE	LT 61, SEC 26, TWP 8, NWD, PL NWP63049	1111737 B C LTD
4	002-364-484	20144	84 AVE	LT 62, SEC 26, TWP 8, NWD, PL NWP63049	VESTA PROPERTIES (LATIMER) LTD
5	002-168-979	20166	84 AVE	LT 53, SEC 26, TWP 8, NWD, PL NWP63967	VESTA PROPERTIES (LATIMER) LTD
6	003-433-404	20178	84 AVE	LT 54, SEC 26, TWP 8, NWD, PL NWP63967	VESTA PROPERTIES (LATIMER) LTD
7	004-275-004	20210	84 AVE	LT 51, SEC 26, TWP 8, NWD, PL NWP50958	VESTA PROPERTIES (LATIMER) LTD
8	002-389-240	20242	84 AVE	LT 52, SEC 26, TWP 8, NWD, PL NWP50958	VESTA PROPERTIES (LATIMER) LTD
9	011-932-643	20260	84 AVE	LT 1, SEC 26, TWP 8, NWD, PL NWP79027	VESTA PROPERTIES (LATIMER) LTD
10	011-932-651	20288	84 AVE	LT 2, SEC 26, TWP 8, NWD, PL NWP79027	VESTA PROPERTIES (LATIMER) LTD
11	019-055-749	20340	84 AVE	LT 2, SEC 26, TWP 8, NWD, PL LMP20005	VESTA PROPERTIES (LATIMER) LTD
12	007-099-801	8336	200 ST	LT 35, SEC 26, TWP 8, NWD, PL NWP35174	VESTA PROPERTIES (LATIMER) LTD
13	007-098-251	8304	200 ST	LT 36, SEC 26, TWP 8, NWD, PL NWP35174	VESTA PROPERTIES (LATIMER) LTD
14	002-568-934	8278	200 ST	LT J, SEC 26, TWP 8, NWD, PL NWP23820	VESTA PROPERTIES (LATIMER) LTD
15	008-904-812	8262	200 ST	LT H, SEC 26, TWP 8, NWD, PL NWP23820	VESTA PROPERTIES (LATIMER) LTD
16	008-903-786	8242	200 ST	LT 26, SEC 26, TWP 8, NWD, PL NWP27546	VESTA PROPERTIES (LATIMER) LTD
17	008-903-816	20059	82 AVE	LT 26, SEC 26, TWP 8, NWD, PL NWP27546	VESTA PROPERTIES (LATIMER) LTD
18	010-866-167		82 AVE	LT 16, SEC 26, TWP 8, NWD, PL NWP3295	VESTA PROPERTIES (LATIMER) LTD

Map ID	PID	House	Street	Legal	Registered Owners
19	005-616-310	20153	82 AVE	LT 49, SEC 26, TWP 8, NWD, PL NWP57815	VESTA PROPERTIES (LATIMER) LTD
20	003-797-988	20181	82 AVE	LT 50, SEC 26, TWP 8, NWD, PL NWP57815	VESTA PROPERTIES (LATIMER) LTD
21	010-866-078	20217	82 AVE	SEC 26, TWP 8, NWD, PL NWP3295	VESTA PROPERTIES (LATIMER) LTD
22	010-866-019	20245	82 AVE	LT 14, SEC 26, TWP 8, NWD, PL NWP3295	VESTA PROPERTIES (LATIMER) LTD
23	001-406-621	20265	82 AVE	LT 33, SEC SW26, TWP 8, NWD, PL NWP31781	VESTA PROPERTIES (LATIMER) LTD
24	006-658-814	20291	82 AVE	LT 34, SEC 26, TWP 2, NWD, PL NWP31781	VESTA PROPERTIES (LATIMER) LTD
25	019-055-731	20319	82 AVE	LT 1, SEC 26, TWP 8, NWD, PL LMP20005	VESTA PROPERTIES (LATIMER) LTD
26	007-163-576	20030	82 AVE	LT 37, SEC 26, TWP 8, NWD, PL NWP35279	CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS IN CANADA
27	007-163-606	20088	82 AVE	LT 38, SEC 26, TWP 8, NWD, PL NWP35279	HAYER BUILDERS GROUP (FRAME TOWNHOMES) LTD
28	006-451-110	20106	82 AVE	LT 43, SEC 26, TWP 8, NWD, PL NWP42197	S H 1 DEVELOPMENT CORPORATION
29	006-451-098	20148	82 AVE	LT 43, SEC 26, TWP 8, NWD, PL NWP42197	20148 82 AVE HOLDINGS LTD
30	007-543-611	20152	82 AVE	LT 44, SEC 26, TWP 8, NWD, PL NWP44558	SKY PROJECTS LTD PARADIGM ENTERPRISES LTD HOMER CAPITAL INC MUNDI HOLDINGS LTD
31	000-507-938	20180	82 AVE	LT 44, SEC 25, TWP 8, NWD, PL NWP44558	DHALIWAL GURVINDER S AUJLA LAKHBIR S
32	010-865-918	20214	82 AVE	LT 11, SEC 26, TWP 8, NWD, PL NWP3295	0938428 BC LTD
33	010-865-926	20306	82 AVE	LT 12, SEC 26, TWP 8, NWD, PL NWP3295	0938430 BC LTD
34	010-865-551	8146	200 ST	LT 6, SEC 26, TWP 8, NWD, PL NWP3295	HARKIA HOLDINGS LTD
35	010-865-683	8140	200 ST	LT 6, SEC 26, TWP 8, NWD, PL NWP3295	S H 1 DEVELOPMENT CORPORATION
36	006-555-926	8092	200 ST	LT 29, SEC 26, TWP 8, NWD, PL NWP31043	HARKIA HOLDINGS LTD
37	009-720-197	20011	80 AVE	LT F, SEC 26, TWP 8, NWD, PL NWP12527	KUO HAI-PEI
38	005-436-443	20053	80 AVE	LT 40, SEC 26, TWP 8, NWD, PL NWP40737	SEKHON SHINDER K
39	005-436-460	20069	80 AVE	LT 41, SEC 26, TWP 8, NWD, PL NWP40737	LANGLEY (TOWNSHIP)

Map ID	PID	House	Street	Legal	Registered Owners
40	006-455-069	20115	80 AVE	LT 42, SEC 26, TWP 7, NWD, PL NWP42197	S H 1 DEVELOPMENT CORPORATION
41	006-451-039	20139	80 AVE	LT 42, SEC 26, TWP 8, NWD, PL NWP42197	ESSENCE PROPERTIES (LATIMER) INC
42	007-543-646	20159	80 AVE	LT 45, SEC 26, TWP 8, NWD, PL NWP44558	ESSENCE PROPERTIES (LATIMER) INC
43	007-543-638	20179	80 AVE	LT 45, SEC 26, TWP 8, NWD, PL NWP44558	HSUEH SU T
44	000-604-330	20211	80 AVE	LT 46, SEC 26, TWP 8, NWD, PL NWP44934	GLORIENTAL DEVELOPMENTS LTD
45	000-604-348	20249	80 AVE	LT 47, SEC 26, TWP 8, NWD, PL NWP44934	1098735 BC LTD
46	008-026-173	20287	80 AVE	LT 48, SEC 26, TWP 8, NWD, PL NWP44934	POLAJZAR MIRJANA

SCHEDULE "B" **BENEFITING AREA**



**SCHEDULE “C”
DESCRIPTION OF THE WORKS**

Drainage works consisting of a detention facility of approximately 1.27 hectares in area, complete with approximately 55 linear metres of 1050 mm diameter storm sewer, flow control chamber and appurtenances, including landscaping and fencing, having an estimated Capital Cost of \$14,309,205.00, all in accordance with the Vesta Properties (Latimer) Ltd. Bylaw as per design drawings numbered as follows:

- 15-082 (08-26-0164) sheets 1 to 10 inclusive prepared by Aplin Martin
- 14-154 (08-26-0164) sheets L1 to L3 prepared by PMG Landscape Architects
- 16-455 (08-26-0164) sheets S1 to S5 prepared by Lang Structural Engineering
- 1102-07-15 (08-26-0164) sheets 1 and 2 prepared by Envirowest Consultants

Applicable DCC Project ID Numbers from Development Cost Charge Bylaw 2012 No. 4963 related to the works are as follows:

DCC Project ID Number	Description
11 D 039	Detention Pond 83 Ave / 200 Street
11 D 029	Trunk Sewer 82 Ave / 200 Street to pond