

# A REAL PLAN TO FINISH 208<sup>th</sup> STREET

AND OTHER MAJOR ROADS IN WILLOUGHBY

Without policy reform, there is no prospect for completion of the arterial road network until the very end of greenfield development, projected to be another 20 years. **We must act now.**



## KEY POINTS

- We now have 30,000 residents within Willoughby, and up to another 30,000 residents in adjacent communities, that cannot adequately get around within, or through, Willoughby. We have incomplete sidewalk connections for kids to get to school, or local parks.
- Development must pay for development. We must not allow any possibility where this cost burden may have to be shifted to taxpaying residents in the form of increased residential property taxes.
- Approximately 1,400 greenfield developable acres remain in Willoughby. The Township of Langley can still reform its current financial model for arterial road provision to ensure it is sufficient to complete the network before development is 100% complete, which could take decades.
- The Township of Langley's Development Cost Charges (DCCs) program does not account for land acquisition cost, in terms of completing portions of the arterial road network in advance of development. We must address land acquisition costs separate from the normal course of development.
- With a new amenity policy, a reliable, development-based funding source will be in place for the Township of Langley to begin to complete critically-needed sections of the road network now, at no additional net cost to taxpaying residents and small businesses.

“We must not allow any possibility where this cost burden may have to be shifted to taxpaying residents in the form of increased residential property taxes.”

## MEMORANDUM

APRIL 8 • 2019



Est. 1873

**TO: MAYOR AND COUNCIL**  
**FROM: CLLR ERIC WOODWARD**  
**SUBJECT: PROPOSED SOLUTION TO COMPLETE MAJOR ROADS IN WILLOUGHBY & PREVENT SIMILAR OUTCOME FOR BROOKSWOOD/FERNRIDGE**

**EXECUTIVE SUMMARY**

We must find a solution to complete the significant, intolerable, persistent gaps in the arterial road and sidewalk network within Willoughby that will otherwise persist for many years yet, if not indefinitely.

We must reform the current model of major road provision to have the financial resources necessary to construct gaps in the road network that aren't being completed by development as we need them.

The Highway Development Cost Charges (DCCs) program doesn't include nor account for the significant land cost and total construction cost for the completion of gaps in the arterial road network by the Township of Langley. Today, to complete gaps in the network, the Township of Langley must expropriate the necessary land dedication (and compensate owners and complete the construction) at its cost.

Development should bear the burden of the arterial network's completion without the opportunity cost of other capital projects within the current scope of the Development Cost Charges program as it exists today.

I propose herein a new amenity policy to distribute more widely the land cost burden of the arterial road dedication to all developers and speculators, not just the few with arterial frontage. This new amenity would ensure that development absorbs this land cost not at the expense of funds earmarked for other capital improvements, or with property tax increases.

**CURRENT ARTERIAL ROADS MODEL**

The current model of road and sidewalk construction in developing areas such as Willoughby depends upon obtaining constructed roads and sidewalks from developers at no cost to the Township of Langley as a condition of development approval. Proponents receive a Highway DCC credit for a portion of their construction costs, but no compensation for land cost.

Each new section of road and sidewalk frontage is built out separately on a per-site basis as an associated development application proceeds with construction after approval. Development and construction timelines can vary widely, however.

Development proponents, speculators and land owners with arterial road frontage fully absorb the land cost for arterial road sections themselves. While this land cost (and a significant portion of the construction cost) is borne only by those with arterial road frontage, the timeline to provide their section of the arterial road network is entirely at their discretion.

If some needed land parcels fail to develop in a timely fashion, or at all, it can leave permanent gaps in critical road frontage for years, or indefinitely, even as Willoughby grows with thousands of new residents every year adding to the problem with no current solution.

## CORE PROBLEM

We now have 30,000 residents within Willoughby, and up to another 30,000 residents in adjacent communities, that cannot adequately get around within, or through, Willoughby.

Previous Councils completed all 10 neighbourhood plans within Willoughby for development, thereby allowing every area of Willoughby to actively develop at the same time, adding thousands of new residents per year without any prospect for completing all the needed arterial roads within the near-term, even as it is desperately needed by existing residents.

As individual development sites redevelop all over Willoughby in a random, unpredictable sequence, we have ended up with significant, persistent gaps in the road network in multiple locations between developed areas.

With so many gaps to address, the financial burden is so substantial (under the current model) it is nearly impossible to properly solve the issue without adjusting the underlying economic model.

We have incomplete sidewalk connections to/from school locations, and local parks. 80<sup>th</sup> Avenue and 202/202A Street will still be incomplete as the new RE Mountain high school expansion completes this September,

despite it being known of and in the works for years. We are opening the new 216<sup>th</sup> Street interchange with 80<sup>th</sup> Avenue and the needed 212<sup>th</sup> Connector to 208<sup>th</sup> Street still incomplete.

There is currently no prospect of development completing 208<sup>th</sup> Street between 68<sup>th</sup> Avenue and 76<sup>th</sup> Avenue due to the Smith Neighbourhood Plan not yet underway. As the situations sits today, with development applications not even being contemplated for both sides this corridor, it could be 10+ years before this section of 208<sup>th</sup> Street is completed without policy reform, significant depletion of the DCC program, or unacceptable property tax increases.

The Development Cost Charges (DCCs) program within the Township of Langley did not anticipate nor plan for the possibility of the Township of Langley completing gaps within the arterial road network separately in advance of development.

Highway DCC rates do not account for land acquisition cost. For 208<sup>th</sup> Street between 68<sup>th</sup> and 76<sup>th</sup> Avenues alone, this is currently estimated to be \$40M+, increasing annually, while still not addressing the other important gaps, such as 80<sup>th</sup> Avenue, 202/202A Street, 72<sup>nd</sup> Avenue, and badly needed sections of 200<sup>th</sup> Street.





In addition, staff reports requested by the previous Council outlining the cost to complete major sections, such as a 208<sup>th</sup> Street, have inadvertently highlighted the political leverage undeveloped property owners/speculators/developers with critical arterial frontage needed by the wider community now have.

Without a real plan as of yet to address the problem, some property owners will logically conclude that the Township of Langley taxpayer will eventually have to compensate them for their road dedication land value to complete the road network, if they postpone development.

For some, without any urgency to develop, it could be in their greater financial interest to simply wait for the Township of Langley taxpayer to compensate them for their road dedication land cost via the expropriation process currently funded by other sources, such as property tax increases, witnessing the increasing political pressure to solve the problem.

Waiting for expropriation would potentially save some proponents millions of dollars in otherwise lost land value, providing substantial incentives for some to wait indefinitely. If the current policy framework is not reformed we will likely have holdouts for many years (or indefinitely) as is still the case in some locations within Walnut Grove, decades later. This is an unacceptable situation that must not be allowed to continue.

Without reform, there is no prospect for completion of the arterial road network until the very end of greenfield development, projected to be another 20 years. We must act now.

## PROPOSED SOLUTION: ARTERIAL ROAD COMPLETION AMENITY POLICY

It is simply not acceptable that the Township of Langley taxpayers face a situation where development might not pay for the infrastructure that development should reasonably provide. Development must pay for development. We must not allow any possibility where this cost burden may have to be shifted to taxpaying residents in the form of increased residential property taxes, or to DCCs revenue earmarked for other important projects, such as the widening of Fraser Highway from Murrayville to Aldergrove.

The major roads crisis in Willoughby must be solved with a model where development pays for itself and does so in a sustainable and scalable manner not at the expense of other public interests.

Approximately 1,400 greenfield developable acres remain in Willoughby. The Township of Langley can still reform its current financial model for arterial road provision to ensure it is sufficient to complete the network before development is 100% complete, which could still take decades.

The Township of Langley currently has adopted policies where developers share the cost of community amenities, such as greenways, and other items not included within the scope of our DCC program, since all benefit from these amenities. The same principle underlying these amenity policies also applies to the arterial road network: all benefit from its completion, all impose a growth burden upon it. Therefore, all developers should share in its land and completion cost as they currently do for greenways, as one example.

A new amenity policy for arterial road network completion addresses the deficiency of significant land cost, financing costs, and some construction costs without any changes to the current DCC program. Significant changes to the DCC program are more complicated and time consuming.

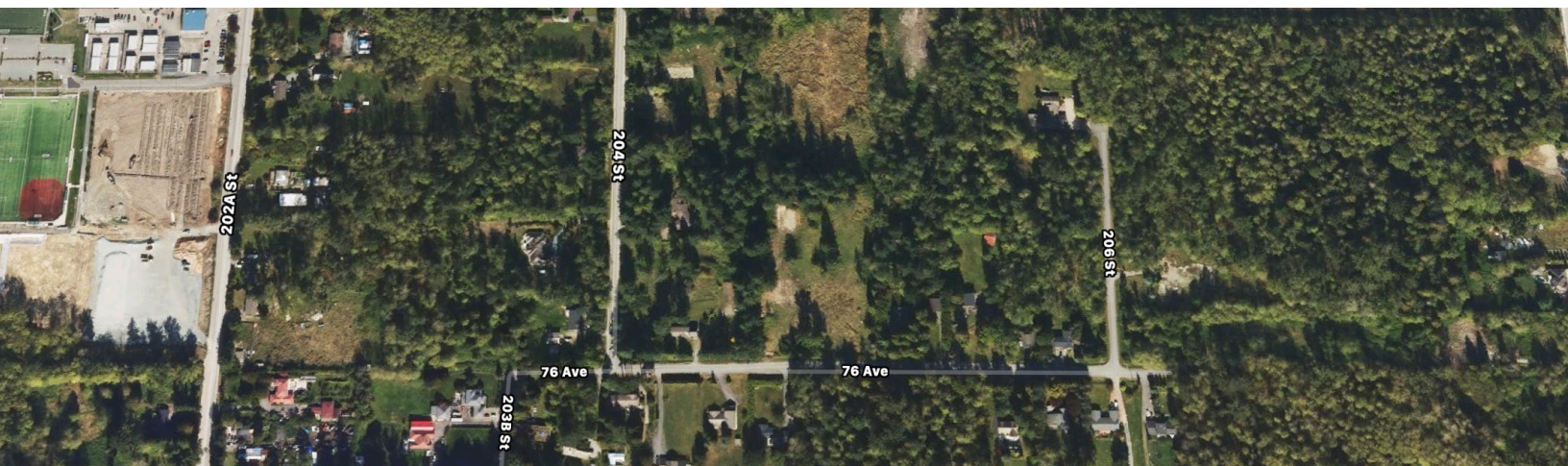
A new amenity policy would exist independently of the existing DCC program. The current scope of works and costs contemplated within DCC program can be left as they are today, and after pending increases likely proceed within 2019.

I propose that Council adopt a new, additional Willoughby Arterial Road Completion Amenity Policy with the following framework:

- A new amenity fund of up to \$200M, or more as needed, for land acquisition, financing and construction costs to complete needed gaps within the arterial road network. This projected amount would be adjusted annually as our other amenity policies are, as land and other projected costs increase;
- This new amenity fund's projected amount would include any and all financing costs for borrowed funds needed to complete sections of the arterial network now, in anticipation of amenity fees collected as development proceeds;
- All undeveloped lands with or without arterial road frontage within Willoughby would be subject to this new amenity fee per acre of remaining Willoughby greenfield;

- Undeveloped lands with arterial road frontage would now be partially compensated for some/most of the difference of their road dedication land cost and the otherwise applicable per acre amenity fee as per this new policy;
- The policy could contemplate including some sections of the arterial road network just outside the boundary of the Willoughby Community Plan, such as 200<sup>th</sup> Street from 66<sup>th</sup> to 68<sup>th</sup> Avenue;
- In consultation with staff, the policy would prioritize the following sections of arterial road frontage with significant gaps and currently no prospect of development providing them 100%, to be completed as soon as possible:
  - 208<sup>th</sup> Street from 68<sup>th</sup> to 76<sup>th</sup> Avenue
  - 80<sup>th</sup> Avenue from 200<sup>th</sup> to 208<sup>th</sup> Street
  - 202A Street from 72<sup>nd</sup> Avenue to 80<sup>th</sup> Avenue (for RE Mountain)
  - 80<sup>th</sup> Avenue from 216<sup>th</sup> to 212<sup>th</sup> Street
  - 212<sup>th</sup> Street Connector to 208<sup>th</sup> Street
  - 86<sup>th</sup> Avenue from 201<sup>st</sup> to 202<sup>nd</sup> Street
  - 200<sup>th</sup> Street from 72<sup>nd</sup> to 80<sup>th</sup> Avenue
  - 200<sup>th</sup> Street from 66<sup>th</sup> to 68<sup>th</sup> Avenue

This new amenity policy provides for a mechanism for development to fund the land acquisition and some of the (to be determined) portion of the construction cost for completion by the Township of Langley of critical gaps in the Willoughby's arterial road infrastructure.



This new amenity policy rightly shifts the burden of the arterial road frontage land cost from the individual developer/owner with arterial road frontage to all Willoughby developers/owners. It shifts the burden from the unlucky few to all, to a structure that is more fair, practical, and feasible to create a development-based funding source for the required cost to compete critical gaps within the network now.

With this new amenity policy drafted and refined by staff for Council consideration and potential adoption, a reliable, development-based funding source will then be in place for the Township of Langley to begin to complete critically-needed sections of the road network now, and to borrow the necessary funds at no additional net cost to taxpaying residents and small businesses.

## **BROOKSWOOD/FERNRIDGE**

This arterial network shared burden policy framework should also be adopted as part of the neighbourhood planning process for Brookswood/Fernridge from its start.

We need to have a similar amenity fund in place in Brookswood/Fernridge for the Township of Langley to be able to complete intolerable gaps in the arterial network there as well. These gaps will inevitably arise as development proceeds in most areas at the same time, as it has in Willoughby.

## **FAST-TRACK STATUS**

Development applications with a significant arterial road dedication as a component should be processed more quickly than those without.

Development applications with needed sidewalk and road dedication components have a greater public interest over and above the normal course of development, and, as such, should receive fast-track processing.

## **CONCLUSION**

As outlined herein, by adjusting the model for major road provision, we can finally be on a path to end the major roads crisis in Willoughby.

We must address land acquisition costs separate from the normal course of development. A new amenity with burden sharing of the arterial road dedication land cost will address this significant overall cost not accounted for within the DCC program. It will provide the Township of Langley with an economically viable path to complete needed sections as necessary, which we don't currently have.

With this policy adjustment we do not have to substantially change the current DCC program, forgo other needed Highway DCC projects for arterial land acquisition costs, or impose increases in property taxes to otherwise complete what development must pay for.

With a new Willoughby Arterial Road Completion Amenity Policy, we can more fairly distribute the burden for arterial road construction to all developers and create a development-based funding source to complete badly needed sections of the road network now before the normal course of development, which may be decades from now, or longer.

With this policy framework adjustment, we can begin to complete critical sections of the arterial road network now at no cost to the Township of Langley taxpayer within a more fair and equitable arterial road provision structure, solving this problem for our residents for the long-term.

# WILLOUGHBY

## PRIORITY MAJOR ROAD LOCATIONS

