

Est. 1873

## REPORT TO MAYOR AND COUNCIL

<b>PRESENTED:</b>	DECEMBER 2, 2019 - REGULAR AFTERNOON MEETING	<b>REPORT:</b>	19-189
<b>FROM:</b>	COMMUNITY DEVELOPMENT DIVISION	<b>FILE:</b>	08-14-0212
<b>SUBJECT:</b>	DCC FRONTENDING AGREEMENT QRD HOLDINGS (WILLOUGHBY) INC.		

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### RECOMMENDATIONS:

**That** Council authorize staff to execute the Drainage Development Cost Charges Front-ending Agreement with QRD Holdings (Willoughby) Inc., in the substantial form of a document presented as Attachment A to this report, for the provision of off-site drainage infrastructure for the Central Gordon area of the Willoughby Community Plan in the Township of Langley.

### EXECUTIVE SUMMARY:

In August 2017, the Township received an application from Essence Properties Ltd. to rezone approximately 2.4 hectares (5.9 acres) to facilitate a multi-family development consisting of 177 units (102 townhouse and 75 apartment units) in accordance with the Central Gordon Estate Neighbourhood Plan. To support the aforementioned development, as well as a forthcoming QRD Holdings rezoning application, QRD Holdings (Willoughby) Inc. (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 support the proposed DWA and DCC Frontending Agreement to minimize DWA charges imposed on the benefiting lands. The attached DCC Frontending Agreement 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 partially compensate the Developer for the upfront costs associated with the construction of the community servicing needs to allow development of the area of Central Gordon in the Willoughby Community Plan.

### PURPOSE:

The purpose of this report is to obtain Council's approval to execute a Drainage DCC Frontending Agreement with QRD Holdings (Willoughby) Inc.

### **BACKGROUND/HISTORY:**

In August 2017, the Township received an application from Essence Properties Ltd. to rezone approximately 2.4 hectares (5.9 acres) to facilitate a multi-family development consisting of 177 units (102 townhouse and 75 apartment units) in accordance with the Central Gordon Estate Neighbourhood Plan. To support the aforementioned development, as well as a forthcoming QRD Holdings rezoning application, QRD Holdings (Willoughby) Inc. (the "Developer") is required to construct a community detention facility and extend municipal trunk storm sewer to the site.

The Township supports the Developer's proposal to apply for a DCC Frontending Agreement. The attached Drainage DCC Frontending Agreement provides the Developer a cost recovery mechanism to compensate them for the upfront costs associated with the construction of the community Detention Pond required to facilitate the development of the area of Central Gordon in the Willoughby Community Plan.

### **DISCUSSION/ANALYSIS:**

The DCC Frontending Agreement (the "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 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 20 years. The works have been estimated to have a total design and construction cost of approximately **\$1,282,822.20**. 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.

### **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 of \$7,500 are borne by the Developer, and paid in advance prior to executing the agreement. The rate is calculated as follows: (15 years x \$500 per year = \$7,500).

Respectfully submitted,

Dave Anderson  
MANAGER, DEVELOPMENT ENGINEERING  
for  
COMMUNITY DEVELOPMENT DIVISION

ATTACHMENT A      DCC Frontending Agreement

This report has been prepared in consultation with the following listed departments.

<b>CONCURRENCES</b>	
<b>Division / Department</b>	<b>Name</b>
FINANCE DIVISION	K. Sinclair
CORPORATE ADMINISTRATION DIVISION	W. Bauer

**TOWNSHIP OF LANGLEY**  
**DEVELOPMENT COST CHARGES FRONTENDING AGREEMENT**

**Project No. 08-14-0212 (Drainage)**

THIS AGREEMENT dated for reference the \_\_\_\_\_ day of \_\_\_\_\_, 2019.

BETWEEN:

**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:

**QRD HOLDINGS (WILLOUGHBY) INC.** a body corporate, duly incorporated under the laws of the Province of British Columbia, having its place of business at  
102 - 5489 Byrne Road  
Burnaby BC V5J 3J1

(the "Developer")

OF THE SECOND PART

- a) **WHEREAS** real property within the specified benefiting area is identified in the column entitled "Legal Description" in Schedule "A", attached hereto.
- b) **AND WHEREAS** the real property within the Benefiting Area is illustrated in Schedule "B", attached hereto.
- c) **AND WHEREAS** a community Detention Pond as described in Schedule "C" are required to be constructed.
- d) **AND WHEREAS** the Developer has undertaken the performance of its obligations required to be made pursuant to this Agreement.
- e) **AND WHEREAS** the Works are not currently scheduled for construction by the Township, but are contained within the Township's Engineering Servicing Plan

- f) **AND WHEREAS** the Developer has requested that the Township advance the construction of the Drainage Works and has agreed to facilitate such construction for the development of the Benefiting Area.
- g) **AND WHEREAS** Council has entered into a separate Development Works Agreement with the Developer for the provision of the Works in accordance with Section 570 of *the Local Government Act*, RSBC 2015, c. 1 and amendments thereto (the “Act”).

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the sum of TEN (\$10) 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*, RSBC 2015, c. 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 described in Schedule "A" of the Agreement;

**"Benefitting Parcel"** means the real property within the Benefiting Area as described in Schedule "B" of the Agreement;

**"Capital Cost"** means actual costs incurred by the Developer to construct the Drainage Works. Costs are estimated at \$3,388,790.58;

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

**"Developer"** means QRD Holdings (Willoughby) Inc.;

**"Development Cost Charge"** and **"DCC"** means a charge imposed pursuant to the Township's Development Cost Charge Bylaw; \$1,282,822.20

**"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;

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

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

**"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 the 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 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) The Township agrees to credit the Developer the Drainage Development Cost Charge for each additional lot created within the Benefiting Area but shall not exceed \$1,282,822.20 without interest.
- b) In the event of the assignment or transfer of the rights of the Developer voluntarily, or by operation of law, the General Manager of Engineering shall pay any benefits accruing hereunder, after notice, to such successor of the Developer as the General Manager of Engineering, 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.
- c) The Township is not responsible for financing any of the costs of the Works.
- d) In consideration of the completion of the Works by the Developer to the satisfaction of the General Manager of Engineering, the Township shall pay to the Developer upon Substantial Completion, then on an annual basis, Development Cost Charges for Drainage works to the extent the Drainage component of the Development Cost Charges have been collected and are received by the Township under the Development Cost Charge Bylaw, until the total Capital Cost of the Works is paid to the Developer, without interest.
- e) Any payment made by the Township under this Agreement will be paid to the Developer at the address of the Developer set out in this Agreement or at such other address as the Developer shall provide in writing. If the said payments are returned to the Township unclaimed by the Developer and if the Township is unable to locate the Developer after all reasonable efforts, then the Township shall hold all monies collected until the expiry of this Agreement. After the expiry of this Agreement, the Township shall forever retain all such unclaimed funds.

**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.
- b) In the event that the Developer fails to complete the Works within twenty-four (24) months after the Agreement execution date, the 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. Any extension of the Agreement is at the sole discretion of the Township. This Agreement shall terminate prior to the expiry of the Term in the event the Developer has been credited with the maximum recoverable sum of \$1,282,822.20 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 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:

QRD Holdings (Willoughby) Inc.  
 102 - 5489 Byrne Road  
 Burnaby, BC V5J 3J1

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, BC 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 (5<sup>th</sup>) 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" – 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: )

)

\_\_\_\_\_ )

)

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"**  
**LIST OF BENEFITING PARCELS**

<b>Map ID</b>	<b>Parcel Identifier</b>	<b>Civic Address</b>	<b>Legal Description</b>	<b>Net Developable Area (ha)</b>
1	006-306-519	20244 73A AVE	LT 74, SEC 23, TWP 8, NWD, PL NWP41978	0.45
2	002-395-622	20276 73A AVE	LT 75, SEC 23, TWP 8, NWD, PL NWP41978	0.44
3	006-190-375	20348 73A AVE	LT 80, SEC 23, TWP 8, NWD, PL NWP47681	1.49
4	003-406-261	20370 73A AVE	LT 83, SEC 23, TWP 8, NWD, PL NWP54928	0.44
5	002-785-501	20392 73A AVE	LT 84, SEC 23, TWP 8, NWD, PL NWP54928	0.45
6	000-668-532	20235 72B AVE	LT 73, SEC 23, TWP 8, NWD, PL NWP41978	0.44
7	006-306-527	20263 72B AVE	LT 76, SEC 23, TWP 8, NWD, PL NWP41978	0.44
8	026-836-785	20230 72B AVE	LT 2, SEC 23, TWP 8, NWD, PL BCP26483	0.40
9	001-533-100	20276 72B AVE	LT 77, SEC 23, TWP 8, NWD, PL NWP41978	0.44
10	001-113-160	20379 72 AVE	LT 81, SEC 23, TWP 8, NWD, PL NWP54928	0.45
11	002-301-873	20381 72 AVE	LT 82, SEC 23, TWP 8, NWD, PL NWP54928	0.45
12	003-151-344	20400 73A AVE	LT 108, SEC 23, TWP 8, NWD, PL NWP62683	N/A
13	008-488-991	20438 73A AVE	LT 51, SEC 23, TWP 8, NWD, PL NWP38261	N/A
14	006-306-543	20267 72 AVE	LT 78, SEC 23, TWP 8, NWD, PL NWP41978	0.44
15	006-190-341	20343 72 AVE	LT 79, SEC 23, TWP 8, NWD, PL NWP47681	0.45
16	001-421-450	20290 72 AVE	LT A, BLK 7, SEC 14, TWP 8, NWD, PL NWP17096	0.40
17	011-899-930	20326 72 AVE	LT 2, SEC 14, TWP 8, NWD, PL NWP78954	0.37
18	011-899-921	20350 72 AVE	LT 1, SEC 14, TWP 8, NWD, PL NWP78954	0.38
19	005-028-434	20390 72 AVE	LT 60, SEC 14, TWP 8, NWD, PL NWP40177	0.73

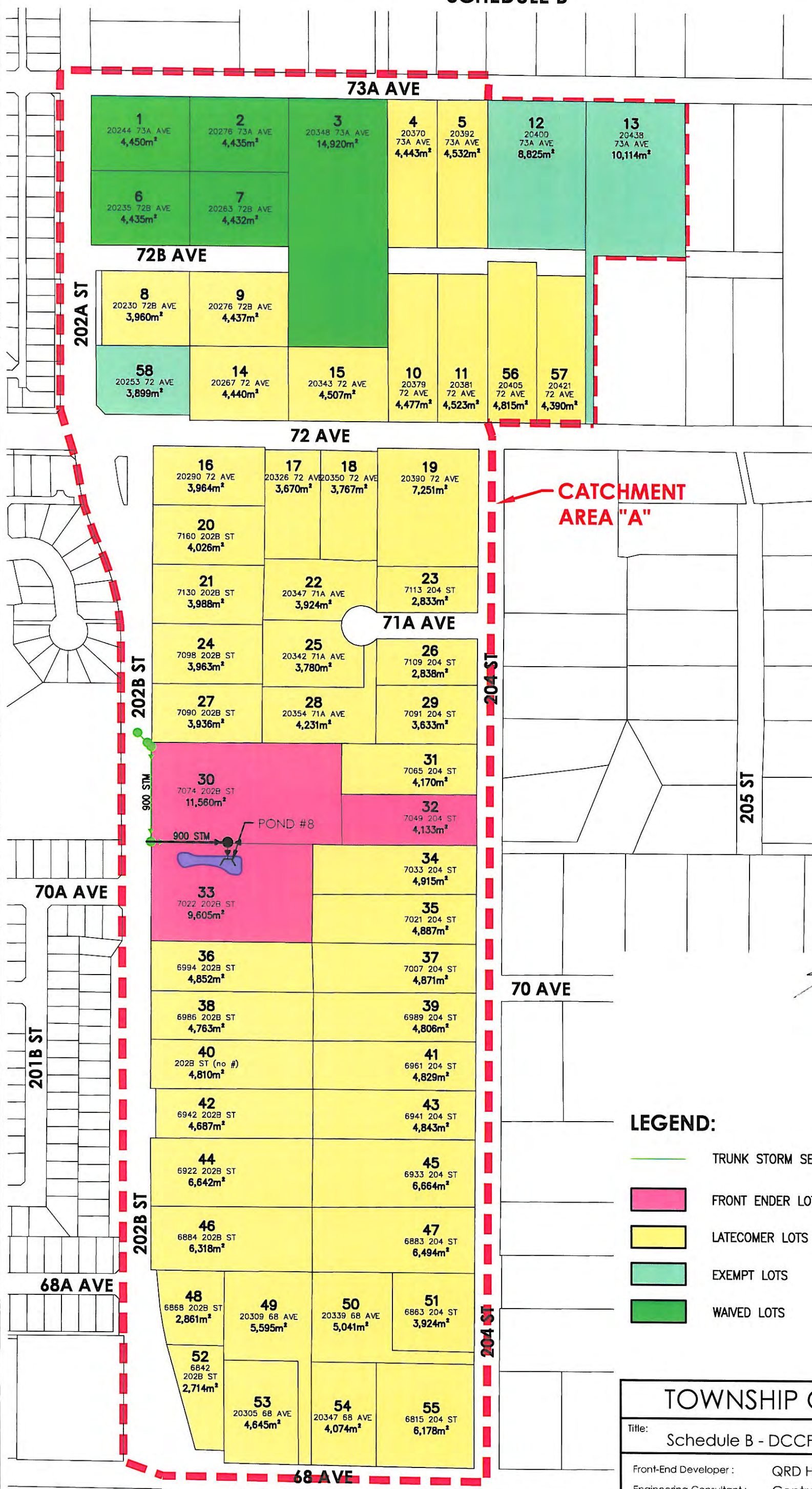
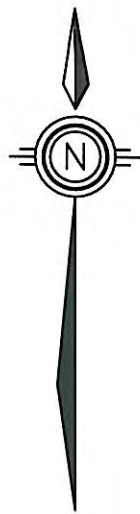
Map ID	Parcel Identifier	Civic Address	Legal Description	Net Developable Area (ha)
20	010-253-173	7160 202B ST	SEC 14, TWP 8, NWD, PL NWP17096	0.40
21	002-358-506	7130 202B ST	SEC 14, TWP 8, NWD, PL NWP17096	0.40
22	011-899-948	20347 71A AVE	LT 3, SEC 14, TWP 8, NWD, PL NWP78954	0.39
23	005-028-469	7113 204 ST	LT 61, SEC 14, TWP 8, NWD, PL NWP40177	0.28
24	007-445-679	7098 202B ST	LT 53, SEC 14, TWP 8, NWD, PL NWP36910	0.40
25	011-899-956	20342 71A AVE	LT 4, SEC 14, TWP 8, NWD, PL NWP78954	0.38
26	005-028-477	7109 204 ST	LT 62, SEC 14, TWP 8, NWD, PL NWP40177	0.28
27	007-445-695	7090 202B ST	LT 54, SEC 14, TWP 8, NWD, PL NWP36910	0.39
28	011-899-964	20354 71A AVE	LT 5, SEC 14, TWP 8, NWD, PL NWP78954	0.42
29	008-402-418	7091 204 ST	LT 59, SEC 14, TWP 8, NWD, PL NWP37468	0.36
30	006-785-867	7074 202B ST	LT 40, SEC 14, TWP 8, NWD, PL NWP33202	1.16
31	006-784-925	7065 204 ST	LT 42, SEC 14, TWP 8, NWD, PL NWP33202	0.42
32	006-786-103	7049 204 ST	LT 41, SEC 14, TWP 8, NWD, PL NWP33202	0.41
33	002-945-053	7022 202B ST	LT 39, SEC 14, TWP 8, NWD, PL NWP30901	0.96
34	001-715-143	7033 204 ST	LT 37, SEC 14, TWP 8, NWD, PL NWP30901	0.49
35	006-540-708	7021 204 ST	LT 38, SEC 14, TWP 8, NWD, PL NWP30901	0.49
36	003-751-856	6994 202B ST	LT 70, SEC 14, TWP 8, NWD, PL NWP66291	0.49
37	008-376-352	7007 204 ST	LT 56, SEC 14, TWP 8, NWD, PL NWP37143	0.49
38	002-333-830	6986 202B ST	LT 71, SEC 14, TWP 8, NWD, PL NWP66291	0.48
39	008-376-387	6989 204 ST	LT 57, SEC 14, TWP 8, NWD, PL NWP37143	0.48
40	002-292-521	202B ST (NO#)	LT 47, SEC 14, TWP 8, NWD, PL NWP37135	0.48

Map ID	Parcel Identifier	Civic Address	Legal Description	Net Developable Area (ha)
41	000-634-875	6961 204 ST	LT 50, SEC 14, TWP 8, NWD, PL NWP37135	0.48
42	008-376-051	6942 202B ST	LT 48, SEC 14, TWP 8, NWD, PL NWP37135	0.47
43	004-708-156	6941 204 ST	LT 49, SEC 14, TWP 8, NWD, PL NWP37135	0.48
44	010-512-730	6922 202B ST	LT 2, SEC 14, TWP 8, NWD, PL NWP21608	0.66
45	010-512-748	6933 204 ST	LT 3, SEC 14, TWP 8, NWD, PL NWP21608	0.67
46	001-104-217	6884 202B ST	LT 1, SEC 14, TWP 8, NWD, PL NWP21608	0.63
47	010-512-764	6883 204 ST	LT 4, SEC 14, TWP 8, NWD, PL NWP21608	0.65
48	000-506-648	6868 202B ST	LT 31, SEC 14, TWP 8, NWD, PL NWP26792	0.29
49	002-341-417	20309 68 AVE	LT 3, SEC 14, TWP 8, NWD, PL NWP70398	0.56
50	002-341-409	20339 68 AVE	LT 2, SEC 14, TWP 8, NWD, PL NWP70398	0.50
51	002-341-395	6863 204 ST	LT 1, SEC 14, TWP 8, NWD, PL NWP70398	0.39
52	008-866-724	6842 202B ST	LT 32, SEC 14, TWP 8, NWD, PL NWP26792	0.27
53	002-341-441	20305 68 AVE	LT 4, SEC 14, TWP 8, NWD, PL NWP70398	0.46
54	001-290-207	20347 68 AVE	LT 1, SEC 14, TWP 8, NWD, PL NWP69173	0.41
55	001-290-215	6815 204 ST	LT 2, SEC 14, TWP 8, NWD, PL NWP69173	0.62
56	005-716-268	20405 72 AVE	LT 85, SEC 23, TWP 8, NWD, PL NWP58950	0.48
57	003-151-361	20421 72 AVE	LT 109, SEC 23, TWP 8, NWD, PL NWP62683	0.44
58	002-605-741	20253 72 AVE	LT 71, SEC 23, TWP 8, NWD, PL NWP41978	N/A



SCHEDULE B

F.3



Nov. 25, 2019

LEGEND:

- TRUNK STORM SEWER WORKS
- FRONT ENDER LOTS
- LATECOMER LOTS
- EXEMPT LOTS
- WAIVED LOTS

TOWNSHIP OF LANGLEY

Title: Schedule B - DCCFA Benefitting Lands	
Front-End Developer : QRD Holdings (Willoughby) Inc.	
Engineering Consultant : Centras Engineering Ltd.	
Scale: 1:3000	Land Development File No. -
Date: June 2019	Latecomer Application No. -

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

Construction of Drainage Works all in accordance with the Township of Langley Subdivision and Development Servicing Bylaw 2011 No. 4861, per design drawings numbered 17002-2 sheets 1 to 27 inclusive, prepared by Centras Engineering Ltd. accepted by the Township October 10, 2019.

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

DCC Project ID Number	Description
11 D 050	Detention Pond 8
11 D 051	Trunk Sewer (25% Portion)