

To: Fraser Valley Regional District Board

Date: 2023-06-22

From: David Bennett, Planner II

File No: 3360-23-2022-01

Subject: Capacity Funding Agreement and Sole Source Purchasing of Planning and Engineering Services to Assist with Evaluation of the Proposed Harrison Rise Development

RECOMMENDATION

THAT the Fraser Valley Regional District (FVRD) Board authorize its signatories to execute a contract with GWEB Holdings LTD for capacity funding of the Harrison Rise development application review process;

THAT the Regional District Board approve a sole-sourced purchasing agreement in the amount of \$260,443 with the selected proponent, Urban Systems LTD for the Harrison Rise development application review process;

AND THAT the FVRD Board authorize its signatories to execute a contract with Urban Systems LTD for planning and engineering consulting services to support the Regional Districts review of the proposed Harrison Rise development applications.

BACKGROUND

GWEB HOLDINGS LTD. has made applications to amend the Official Community Plan and Zoning Bylaw to redevelop the existing gravel pit located at 43837 & 43873 Lougheed Highway, Lake Errock (Area C) into a mixed-use development with residential and commercial land uses on 70.8 ha of land.

The applicant is calling the proposal 'Harrison Rise'. The proposed development would include:

- 155 single-family residential lots with secondary suites
- 68 Townhouse units
- 95,800 sq. ft. of Multi-Family Residential (potentially 67 units, based on 1,200 sq. ft. units)
- **1.2 ha of "employment lands"**

This amounts to 290 to 445 residential units. Based on the submitted site plan, the proposed development could add approximately 1,000 people to the area.

The proposed development presents significant challenges and implications for the Lake Errock community, FVRD services, and potential taxation. While the physical development of the site has been planned by the applicant, there are important considerations related to integrating the development into the surrounding community, identifying off-site servicing needs, addressing the

financial sustainability of new services, and conducting broad consultations. The application-led process has created complexities that require simultaneous neighborhood planning alongside application processing.

To address these challenges and **support the FVRD's capacity to review the application, the Regional District Board** passed a resolution requesting capacity funding from the applicant. Consultant support is needed for various aspects, including the Servicing Feasibility Study, Local Sanitary Servicing Plan, Fire Protection and Fire Underwriters Survey Study, and planning and engineering review costs.

DISCUSSION

In keeping with the direction from the Board, the next step is to enter into a contract with GWEB Holdings LTD regarding capacity funding for the application review process. The agreement has been shared with the developer. The developer has accepted the terms of the agreement and has informed us of their wish to enter into the funding agreement.

A copy of the draft agreement is attached. The agreement covers payment, control of the work, costs overruns, refunds of excess contribution, as well as a Developer acknowledgment that states:

"The Developer acknowledges and agrees that it pays the Developer Contribution to the Regional District to enable the Regional District to obtain the Reports and Services as part of the Developer's request for amendment to the Regional District's official community plan in relation to the Development Lands and by making such payment the Developer acquires no special rights in relation to the Regional District's official community plan amendment process."

The agreement also clarifies that the FVRD provides no assurances about the outcomes of the work to be performed by the consultant nor the outcome of the application process.

Urban Systems LTD (USL) has provided a proposal to undertake the works described in the March 2023 Corporate Report. USL is a multi-disciplinary consultant who has extensive work experience in this field including the ongoing Harrison Mills Neighbourhood Plan and the existing Lake Errock Local Sanitary Servicing Plan. USL submitted a proposal for \$248,041 plus GST to undertake the work.

Staff propose to sole-source the work to USL. In this instance, sole-sourced purchasing aligns with sections iii. and iv. of the sole-source provisions in the Procurement Policy, given the unique qualifications and skills required for the work and the desired timelines set by the applicant. Section 4.1 of the FVRD Procurement Policy supports sole-sourcing:

- iii. *where the time frame for delivery is urgent and cannot be exceeded to allow the time needed for competitive bids;*
- iv. *where an unforeseeable situation of urgency exists and the goods, services or construction cannot be obtained in time by means of competitive procurement methods;*

Sole-sourcing this work is necessary to meet reasonable timelines for consideration of the OCP and zoning amendment applications. A competitive process to award a contract for this work would take approximately 3 months and require a significant investment of staff time. The applicant has advised that time is of the essence and that a 3 month delay in reviewing their application would have significant negative consequences for financing of the project, particularly when the overall application process will likely take 2 years.

Support from a consultant is necessary because we do not have the staff capacity to comprehensively review this complex development proposal. The added demand on staff resources to administer a competitive process to award the work would further exacerbate the situation and cause delays in other priority projects that are urgently needed.

In order to provide a timely application review process for both the applicant and the community, to avoid delays in other urgent projects (by diverting staff resources) and to provide the expected level of customer service for development review, staff recommend that the work be sole-sourced to USL.

- vii. *where the work is a continuation or follow-up assignment most appropriately done by the original service provider;*

Completing a Local Sanitary Servicing Plan for Lake Errock is a part of the deliverables for this work. USL has produced the draft Local Sanitary Servicing Plan for Lake Errock and is uniquely positioned to complete it. Additionally, USL has been working on the Harrison Mills Neighbourhood Plan and has developed a comprehensive understanding of the area and FVRD services.

Measures to Prevent Bias

Staff recognizes that accepting funding from a developer for the review of the application may raise concerns about bias and reduce community confidence in the planning process. To eliminate opportunities for bias and undue influence, the following measures have been implemented:

FVRD alone prepared the terms of reference for planning and engineering services to evaluate the proposal. FVRD will solely guide the work of the consultant and the application review process as a whole. The developer had no influence over the scope of the work or the selection of the proponent, and they will not direct the work of the consultant in any way.

The terms under which the developer provides funds to FVRD will be set out in a contract reviewed by legal advisors. The contract makes it clear that FVRD has sole control of the work, the developer has no special rights or access, and there is no assurance whatsoever that the outcomes of the work with the development vision of the developer.

Funds will be received from the developer in advance of entering into a contract with the consultant to eliminate any ongoing financial reliance on the developer. These funds could not be revoked or withheld while the work is in progress.

These measures are intended to provide transparency, maintain control, and ensure that the developer understands that the outcomes of the work are not assured to be favorable to them. The benefit that the developer derives from funding the review work is that the review will be completed earlier than it otherwise would be. Funding the review work does not grant the developer any greater access to the process or influence over the outcomes beyond what they already have as the applicant for official community plan and zoning amendments.

COST

USL submitted a proposal for \$248,041 plus GST to undertake the work. GWEB Holdings LTD will be responsible for the full costs of the capacity funding requested by the FVRD Board.

The cost for the sole-sourced purchasing agreement falls within accepted standards for the scope of work involved. Conducting a competitive process would result in additional costs and delays, including the allocation of staff resources for proposal reviews. The cost of the sole-sourced purchasing agreement is justified considering the efficiency, compatibility, and timely completion of the project.

CONCLUSION

Based on the analysis and considerations discussed, it is recommended that the Regional District Board enter into a sole-sourced purchasing agreement with Urban Systems LTD. The sole-sourced purchasing is justified by the unique qualifications and skills required for the work and the timelines desired by the applicant. The applicant agrees with this course of action.

Upon completion of a contract with GWEB Holdings Ltd., the FVRD may then enter into a contract with Urban Systems Ltd. to deliver the planning and engineering services required to review the application.

COMMENTS BY:

Hasib Nadvi, Manager of Planning: reviewed and supported

Graham Daneluz, Director of Planning & Development: reviewed and supported

Kelly Lownsborough, Director of Corporate Services/CFO: Reviewed and supported.

Jennifer Kinneman, Chief Administrative Officer: Reviewed and supported.