



STAFF REPORT

To: Electoral Area Services Committee

Date: 2025-04-10

From: Katelyn Hipwell, Manager of Planning

Subject: Update on Proposed Harrison Rise Development at 43837 & 43873 Lougheed Highway, Area C

Reviewed by: Graham Daneluz, Director of Planning & Development | Emergency Management
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RECOMMENDATION

This report is provided for information to advise the Fraser Valley Regional District Board of updates pertaining to the proposed redevelopment of the existing gravel pit located at 43837 & 43873 Lougheed Highway (Harrison Rise) and impacts to the associated Area C Official Community Plan update.

BACKGROUND

In July 2022, GWEB HOLDINGS LTD (the developer) submitted an application to amend the Official Community Plan and Zoning Bylaw for the proposed redevelopment of the existing gravel pit located at 43837 & 43873 Lougheed Highway.

The proposal, referred to as Harrison Rise by the developer, consists of a mixed-use development with residential and commercial land uses. Approximately 485 units of residential development are proposed and include single detached dwellings with secondary suites, duplexes, multiplexes, townhomes, and apartment buildings. Additionally, commercial lands are proposed along Lougheed Highway near the existing gravel pit entrance.

To address the development proposal and site-specific development application, the Lake Errock Neighbourhood Plan (the Neighbourhood Plan) was developed as a component of the ongoing Area C Official Community Plan (the Area C OCP) update. The draft Neighbourhood Plan was shaped by the **developer's proposal and reflects the land use plan, site layout, and densities of the development application**. The draft Neighbourhood Plan provides the robust policy framework necessary to support the development proposal and establishes the requirements of the simultaneous zoning amendment application. **The Neighbourhood Plan includes 'wrap-around' policies to address implications of the**

proposed development on the existing Lake Errock community, natural environment, cultural resources, transportation infrastructure, servicing infrastructure, geohazards, and parks and recreation amenities. The policy directions have been informed by technical reports and community engagement undertaken since 2022.

To support the review of the development application in advance of an updated Official Community Plan, the developer entered into a capacity funding agreement with FVRD. FVRD contracted Urban Systems Ltd. to fulfill FVRD capacity needs and undertake work, which includes a Servicing Feasibility Study, Local Sanitary Servicing Plan, Fire Protection and Fire Underwriters Survey Study, and more. FVRD and Urban Systems Ltd. have been working closely with the developer following first reading of the draft plan in July 2024 to complete these necessary studies. The completed studies will identify servicing needs, determine required capacity and infrastructure improvements, estimate costs, determine impact of service demands on existing taxpayers, and consider the overall sustainability and affordability of service expansion and new infrastructure for both FVRD and taxpayers. Preliminary findings of these in-progress assessments signal a challenging economic landscape with potential impacts to the overall feasibility of the development proposal.

In March 2025, the developer advised FVRD of their intention to withdraw the zoning amendment application in favour of pursuing the Official Community Plan amendment independently. The applicant withdrew the zoning amendment application on March 7, 2025.

DISCUSSION

Official Community Plan Policies & Community Benefit Requirements

The scope and scale of the proposed development is large. It poses the potential for major implications to the existing community, a range of FVRD services, and taxation. The draft Area C OCP and Lake Errock Neighbourhood Plan presents the policy framework to resolve issues related to design, servicing infrastructure, neighbourhood integration, transportation infrastructure, environmental impacts, safety, and community benefit. The Plan will establish expectations and requirements to address these various development impacts. If the OCP amendment is adopted, a future zoning amendment application for the redevelopment of the existing gravel pit would be required to align with the policies set forth in the Area C OCP and Neighbourhood Plan.

The FVRD Board first considered the development proposal in September 2022, and directed staff to host a public information meeting prior to consideration of readings of the amending bylaws. At this **early stage of the proposal's consideration, including in pre-application communications** with the developer, various community benefits for the developer to factor in their proposal. In a follow-up report in March 2023, it was again reiterated that the proposal should demonstrate substantial community benefit. The community benefits identified by staff and FVRD Board for the developer to address through the development proposal are summarized in *Table 1*, below.

Table 1: Community Benefit Requirements for Harrison Rise Proposal	
Community Benefit	Dates Identified
Pedestrian crossing of Lougheed Highway <ul style="list-style-type: none"> Promote interconnected settlements Support community connections and lake access 	<ul style="list-style-type: none"> July 7, 2022 – Traffic Impact Assessment (submission by Applicant) September 8, 2022 – Staff Report March 3, 2023 – Staff Report
Community Trail Network <ul style="list-style-type: none"> Support connectivity with existing community and ensure access to crown lands 	<ul style="list-style-type: none"> December 9, 2020- Pre-application Letter February 9, 2022 – Pre-application Letter
Transit Connection <ul style="list-style-type: none"> Address lack of transit connectivity to basic amenities (medical centre, groceries, banks, etc.) 	<ul style="list-style-type: none"> September 8, 2022 – Staff Report March 3, 2023 – Staff Report
Local Sanitary Servicing Plan <ul style="list-style-type: none"> Future phasing design for broader Lake Errock community 	<ul style="list-style-type: none"> December 9, 2020 - Pre-application Letter February 9, 2022 – Pre-application Letter March 11, 2022 – Pre-Application Letter
Wastewater Treatment Plant (WWTP) capacity for existing Lake Errock community <ul style="list-style-type: none"> Ensure plant capacity to enable future connection Provision of land for WWTP and disposal area 	<ul style="list-style-type: none"> December 9, 2020 – Pre-application Letter February 9, 2022 – Pre-application Letter March 11, 2022 – Pre-Application Letter September 8, 2022 – Staff Report February 2, 2024 – Rezoning Referral (Engineering Comments)
Additional Community Benefit <ul style="list-style-type: none"> Seek additional community benefit for the broader Lake Errock community in response to persistent community opposition to the proposal 	<ul style="list-style-type: none"> July 25, 2024 – FVRD Board Resolution and direction to Staff

Some Area C residents are strongly opposed to the development proposal. The majority of feedback received and commentary expressed by residents to date indicates strong opposition to the proposed density of the development rather than to specific elements that could be addressed or resolved through technical assessment and design. At the time of 1st Reading of the Area C OCP bylaw, the FVRD Board directed staff to engage with the developer to seek additional community benefit for the broader Lake Errock community beyond what had already been identified throughout the application process. Since that time, the developer has requested that FVRD consider amended engineering requirements that previously formed a significant community benefit component of the application. The recent requests for amended requirements represent a reduction in the previously identified community benefits and do not offer any additional benefits as directed by the FVRD Board.

Servicing Feasibility Analysis

Per the *Local Government Act*, the Board must consider the financial impacts of any OCP amendment proposal. Accordingly, a Servicing Feasibility Study is required. Understanding servicing feasibility involves a comprehensive study to assess the overall (on-site and off-site) servicing needs of the

proposed development. Included in this study is a financial analysis to understand lifecycle costs, tax implications, long-term sustainability, and short-term impacts to initial service area users in advance of complete project buildout. The Servicing Feasibility Study is primarily analyzing the impact on water, sewer, solid waste, transit, community recreational facilities, parks and trails, and fire protection service.

The analysis is incomplete to date. FVRD staff and Urban Systems have been working to acquire necessary data from the developer to complete the analysis. Throughout ongoing conversations during fall and winter 2024/2025, the developer has sought concessions on technical aspects of stated engineering requirements to improve the financial viability of the project. However, with the formal withdrawal of the zoning amendment application, FVRD will finalize the servicing feasibility analysis with the information that is currently available. This analysis will be based off the engineering requirements as stated in the FVRD Terms of Reference, without consideration of alternatives. In the future, if a new zoning amendment application is made for the re-development of the site, a new Servicing Feasibility Analysis must be conducted at that time at the expense of the applicant.

Developer Requests for Amended Requirements

FVRD staff, with the assistance of Urban Systems Ltd., developed a high level Terms of Reference (Appendix C) for the new wastewater treatment plant required to service the proposed development, **the Sq'ewlets** community and ultimately the existing Lake Errock community. The developer received this information and has incorporated much of the recommendations into their plans but has made a request for the FVRD to consider amending some requirements.

In a January 20, 2025 written communication to FVRD (Appendix A) and subsequent Technical Memo submitted on January 23, 2025 (Appendix B), the developer expressed concerns regarding the costs and timing of specific engineering items and the impact to the overall financial feasibility of the development. The developer highlighted the community benefits they perceive to be a part of the development proposal, which include the provision of market housing, the provision of sanitary service to the existing **Sq'ewlets** community, the provision of land for future expansion of sanitary service to the existing Lake Errock community, and increased capacity for the existing water system service. These benefits are discussed in detail in *Appendix A*. Several requests were made by the developer to reconsider engineering requirements in favour of alternatives that present cost-saving opportunities or potential for expedited timelines. These requests are summarized in *Table 2*, below.

Table 2: Developer Requests for Amended Requirements	
Developer Request	
1. Municipal Wastewater Regulation (MWR) Registration	<ul style="list-style-type: none"> • Concern over timing with zoning amendment readings and potential for delays • Seeking allowance for FHA systems as interim measure
2. Drum Screens	<ul style="list-style-type: none"> • Request removal from design requirement • Alternative proposed: Equalization tank for screening in place of a headworks unit

<p>3. Dewatering System</p> <ul style="list-style-type: none"> • Request removal from design requirement • Alternative proposed: Haul sludge to off-site treatment facility
<p>4. Odour Control</p> <ul style="list-style-type: none"> • FVRD requires complex system • Alternative system is deemed adequate by developer
<p>5. Concrete Tankage for Future Phases (Community Benefit)</p> <ul style="list-style-type: none"> • Request removal from design requirement • Proposing tankage for proposed development and existing Sq'ewlets community only – not for future phase of existing Lake Errock community due to unknown timelines
<p>6. Electrical/ Control System for Phase 2/3</p> <ul style="list-style-type: none"> • Remove from design requirements • Shorter lifespan on mechanical components

FVRD Response to Developer Requests

The engineering requirements that have been outlined by FVRD staff are consistent with the approach FVRD has taken with its own facilities, including the Cultus WWTP, and with requirements outlined for other future developments. These requirements are aligned with FVRD policies and bylaws and are developed to ensure the following key objectives:

- FVRD community sanitary systems meet the effluent quality requirements of relevant Provincial and Federal legislation, supported by comprehensive environmental monitoring plans.
- FVRD community sanitary systems have provincial registrations secured in advance of zoning and construction to further reduce risk and liability to FVRD.
- FVRD community sanitary systems are self-sustaining and do not contribute further to the ongoing regional trucked liquid waste issue.
- FVRD community sanitary systems meet minimum standards for odour control to reduce nuisance impacts to communities.

It is the opinion of FVRD staff that the requests for amended requirements and alternatives presented by the developer are inconsistent with FVRD policies and bylaws, present increased risks to FVRD under current regional circumstances, and diminish the community benefit derived from the development proposal. The criteria and requirements outlined in the developed Terms of Reference address community concerns and FVRD priorities. However, staff have offered to work with the applicant to find efficiencies in design that align with the established Terms of Reference.

These engineering requirements, as previously identified by FVRD staff, will continue to be reflected in the draft Area C OCP and Neighbourhood Plan and any future zoning amendment application must align with the requirements.

Withdrawal of Zoning Amendment Application

The current economic landscape for greenfield development in the electoral areas is challenging. Recent years have seen significant cost escalations, inflation and economic uncertainty that have impacted the financial viability of establishing new community servicing infrastructure and service areas. It is uncertain whether these economic conditions are short term or long term in nature and what impact they will have on the future redevelopment potential of the gravel pit site. Additional cost uncertainties related to a pedestrian crossing of Lougheed highway and unforeseen development costs that are likely to arise through the rezoning process all contribute to the overall uncertainty regarding the current viability of the proposal.

The applicant has made the decision to withdraw the zoning amendment application at this time. The developer will continue pursuing the OCP amendment as part of the broader Area C OCP and Lake Errock Neighbourhood Plan update. Moving forward, the draft Area C OCP and Neighbourhood Plan policies provide direction on requirements for any future site-specific rezoning applications. Should the developer decide to submit a new rezoning application in the future to facilitate redevelopment of the existing gravel pit, the proposal will need to comply with the expectations set out in the Area C OCP and Neighbourhood Plan. This includes requirements pertaining to servicing, community benefit, environmental protection, service area feasibility, and more.

Next Steps for Area C Official Community Plan Update

The steps outlined below generally follow the steps identified in the existing consultation and engagement strategy developed for the Area C OCP project and the consideration of the site-specific development proposal for the gravel pit properties.

1. Completion of the Servicing Feasibility Study (Anticipated May 2025)

FVRD staff will work with Urban Systems Ltd. to complete the Servicing Feasibility Study with the best information available.

- Completion of the study will be followed by public communication of the outcomes of the servicing feasibility study and the impacts of the withdrawn rezoning application.

2. 2nd Reading of the Area C OCP (Anticipated Summer 2025)

The 2nd reading of the draft OCP will reflect the changes made to the Plan to address the feedback and comments received since the draft Plan received 1st reading and the completion of the Servicing Feasibility Study.

- A summary of changes to the plan between 1st and 2nd Reading will be communicated to the public and the FVRD Board.

3. Public Hearing (Following 2nd Reading)

With the withdrawal of the developer's zoning amendment application, staff will review the endorsed consultation and engagement strategy and will identify opportunities to further streamline the process moving forward. Where options are identified that deviate from the established timeline of events, staff will bring a decision to the FVRD Board to consider updating the strategy.

COST

The Area C Official Community Plan update has been identified as a multi-year priority project for the 2023/2024 Electoral Area Planning Section work plan. Costs associated with this update are covered through the Electoral Area Planning Services budget.

Costs associated with consulting services for the review of the proposed Harrison Rise development are covered through capacity funding secured through the Developer Contribution Agreement between the FVRD and GWEB Holdings Inc. Completion of the Servicing Feasibility Study is considered part of this review and covered through the capacity funding.

CONCLUSION

The developer for the proposed Harrison Rise development has withdrawn the zoning amendment application for the redevelopment of the existing gravel pit at 43837 & 43873 Lougheed Highway, Area C. The developer wishes to proceed with the Official Community Plan amendment application in isolation at this time. This decision was made following requests that FVRD staff consider amendments to specific engineering requirements previously set out in a Terms of Reference. In the absence of a current zoning amendment application, FVRD staff will ensure that the requirements previously established by the Terms of Reference and community benefits identified throughout the development application process continue to be reflected in the policies of the draft Area C OCP. This will ensure that any future zoning amendment application for the redevelopment of the subject site is aligned with the established requirements, which are consistent with FVRD policies and bylaws. Any contemplated changes to the previously endorsed consultation and engagement strategy for the project will be brought forward for the Board's consideration at a future meeting.