

THE CORPORATION OF THE DISTRICT OF BURNABY

28 September 1964.

SPECIAL REPORT

His Worship, the Reeve,
and Members of the Council.

Gentlemen: Re: Stride Area Industrial Development
 (Dominion Construction Industrial Estate.)

In 1963 Council dealt with a Report on this Industrial Estate on the basis that the servicing costs were extremely heavy, and seeking Council's direction on the matter of standard of servicing and possible application of the Local Improvement Procedure.

The direction of Council is as follows:

"That the applicants be informed that the servicing standards required will be storm drains, 42 foot standard asphalt with curbs on the three blocks east of the intersection of the 19th-20th-14th-15th Diversions according to Planning Department Plan #C.1358 and the Manager be instructed to negotiate the sharing of costs, taking into account the land which will accrue to the Company through street cancellations and the value of Municipal lands within the area."

Since that time periodic attempts have been made to get a basis of settlement for presentation to Council but only now has this been possible.

In the interim, also, there has been a new development in the interest of an Edmonton firm in having a limited-dividend housing development of approximately 90 units on the municipally-owned property on the west side of 15th Avenue. This prospective development, in fact, is a factor at this time which provides some urgency for a resolution of the servicing problem as the firm appears anxious to acquire the property and commence building. The property, of course, is not suitable without the servicing.

Dominion Construction have advised under date of 23rd September 1964 that the economics of the Industrial Estate, predicted to December 31, 1965, are such that they can pay \$41,470. for the Municipal land needed for assembly of the Estate being \$11,000. per acre for 2.98 acres of lots plus .79 acres of adjoining roads and lanes applicable to Burnaby land and have only \$550. to contribute toward the cost of servicing. The economics are based on a selling price of serviced land of \$15,000. per acre. The Estate when assembled would be 16.35 acres made up of:

- 9.63 acres purchased to date;
- 3.77 acres from Burnaby as above;
- 2.95 acres - land gained to Dominion Construction
 through closing of roads.

Servicing costs have been reviewed in the light of Council's decision as to standard and extent of servicing. The original estimates provided for very minimum treatment of the most northerly block of 15th Avenue but Council included this block and in any event it would be essential for the Limited - dividend housing proposal.

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BY MUNICIPAL MANAGER
RE STRIDE AVE.
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A summary of servicing costs shows:

Roads - 44' curb to curb	-	\$ 98,950.
Storm Sewers	-	<u>133,400.</u>
		\$232,350.
Lane between 15th Ave. & Stride	-	<u>9,600.</u>
		\$241,950.

Included in the Sanitary Sewer estimate is the sum of \$5,700. for a line to Safeway to eliminate the Safeway pressure line.

The value of Municipal land included in the two projects is estimated at approximately \$105,000. leaving a net deficiency of about \$136,000.

It is perfectly obvious that servicing costs of \$241,950. cannot reasonably be related to areas of 16.35 acres. The servicing costs per acre exceed the end sale price of the property without any account being taken of the purchase price of the property.

There are several points which Council can consider in looking at the complete servicing proposed:

- (a) The assembly of an addition to the available industrial sites in Burnaby;
- (b) The development of a limited-dividend housing site on 15th Avenue with a land sale value of approximately \$63,000.
- (c) The improvement which which would be achieved in a difficult drainage area which will unquestionably have to be faced up to one day.
- (d) The possible tax revenue and employment opportunities which could be expected from an industrial development.
- (e) Of the total servicing costs, \$9,600. cannot logically be related to the industrial estate.

Council might well wish to re-examine the servicing standards. In this regard, Dominion Construction points out that the location does not have easy access to Kingsway, it does not have advertising potential, nor does it carry a prestige address. They feel, therefore, that the industries which will be attracted into this area will not require finished roads and drains to a high standard but an interim standard would be quite satisfactory. They suggest that Council review the standards required.

Application of the Local Improvement procedure could be used to reduce initial land cost.

Respectfully submitted,


H. W. Balfour,
MUNICIPAL MANAGER.