

8 April 1971

MANAGER'S REPORT NO. 25, 1971.

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

Gentlemen:

Your Manager reports as follows:

1. Re: Power Supply to the Copley Pumping Station,
Still Creek Avenue.

The above subject was considered as Item 22 on the Manager's Report No. 20, 1971, and it was processed by the Council on March 22, 1971.

On March 22nd the Council granted approval for B.C. Hydro and Power Authority to install a special transformer structure on Corporation-owned property being Block 16, Sketch Part 23312E, D.L. 119W½. The transformer structure was to be located 5 feet from the west property line.

We have now been advised by Associated Engineering Services Limited that the B.C. Hydro and Power Authority will not construct the transformer structure 5 feet from the west property line. Apparently they will not construct it closer than 11 feet from the west property line. This involves an encroachment of an additional 6 feet into the Corporation-owned property.

This property is actually an abandoned section of Carlton Street which is not needed. It has a frontage of 66 feet and the land is not particularly saleable because of its location in this relatively swampy area. In any event it is not expected that the offset being requested will have any great impact on the property. The land is presently unserviced and is in a drainage course.

It is recommended that the Corporation approve of this new offset.

2. Re: Bonding on Building Construction Projects.

The above subject was considered as Item 12 of Manager's Report No. 21, 1971, at the Council meeting held on March 29, 1971.

Council directed that in the future it be required that there be 50% coverage for performance and labour and materials bonds for building construction projects instead of the 100% required now.

In the last paragraph of the Chief Building Inspector's report he noted that some of the tendering procedures relating to bonding should be reviewed. Council asked that it be enlightened about these things so as to determine whether any changes should be made.

Presently in our tendering documents we include "Undertaking of Surety" letters which the tendering Contractors are required to have completed and submitted with their tenders. There is an undertaking letter for the performance bond, another for the labour and materials bond, and a third for the liability insurance coverage for the Contractor. At the same time in our tender call documents we always specify that each tender shall be accompanied by a Bid Bond or Cheque, with the Bond or Cheque generally for a stipulated percentage of the tender sum. The Bid Bond is there to guarantee to the owner or party calling tenders that a Contractor, if called upon, will carry on and enter into the form of Contract required. The Bid Bond also indicates to the owner that the Contractor will obtain and furnish the required performance bond, labour and materials bond and required insurance coverage. If the Contractor defaults the owner calls upon the bond for liquidated damages to the amount of the Bond, or Cheque, if the latter has been accepted.

Continued...

2. Re: Bonding on Building Construction Projects. (Cont'd)

The "undertaking of surety letters" referring to performance bond and labour and materials bond are redundant when a Bid Bond, issued by a recognized surety company, has been obtained and submitted by a Contractor with his tender. Beyond being redundant the undertaking letters represent an added cost and inconvenience to the Contractor in the preparation of his tender. Any cost attached to the preparation of the tender will be passed on to the owner.

In our case, we have allowed the alternate of a Bid Bond or Cheque and when a Cheque is accepted the consent or undertaking of surety letters do serve a useful purpose. For example, a Contractor might be able to offer a certified cheque with his tender as a guarantee of faithful performance, and yet for other reasons not be able to obtain performance or labour and material bonds when called upon. The consent letters are intended to overcome this situation. However, the Corporation could amply protect itself by specifying only a Bid Bond with the submission of a tender and foregoing the additional undertaking of surety letters. If a tendering Contractor obtains a Bid Bond from a recognized Bonding Company he most certainly will be able to follow through and obtain further Bonds as specified. The Bonding Company will see to that.

On the subject of the Bid Bond itself, as noted above, we generally specify a stipulated percentage of the tender sum. This method of specifying the amount of the Bond means that the Contractor can not actually obtain the Bond from the Company until he has completed his tender estimating and determined the amount of the tender he is going to submit to an owner. Depending upon how tenders have been called, a Contractor may be pricing his tender right up to the last hour or so before the tenders close, and he still has to obtain his Bid Bond. If a Bid Bond has been specified as a stated sum, predetermined by the owner to suit the needs of the job, a tendering Contractor can place his order for such a Bond days ahead of the closing date and then can pick up his Bond from the Bonding Company after completing his tender, without the possibility of being shut out at the last minute, or at least, lessening that possibility. Incidentally, the cost of a Bid Bond is a \$10.00 flat fee regardless of the cost of the project.

In summary, the undertaking of surety letters, Bid Bond versus Cheque, and percentage versus stipulated sum of Bid Bond coverage, has been reviewed and it is recommended that on building construction projects our tendering procedures call for a Bid Bond only in a pre-determined stipulated sum (determination of that sum can easily be made from the estimates of the work), with the Bid Bond calling for follow through on performance, labour and material bonds and liability insurance coverage; and that we delete from our procedures the undertaking of surety letters.

Incidentally, a panel discussion on the pros and cons of Bonding in the construction industry will be one of the highlights of a public seminar to be held at the Bayshore Inn, Tuesday, April 13th, under the auspices of the Amalgamated Construction Association of B.C.

3. Re: Hazel Street Extension -
Lot 10, Block 9, D.L. 32, Plan 2250
6128 McKercher Avenue.

On February 22, 1971, Council authorized the acquisition of the above described property which is required for the future extension and construction of Hazel Street. (See Item 3, Manager's Report No. 14, 1971, In Camera.)

The house is vacant and in such condition as to warrant demolition. Authority is hereby requested to demolish this house as soon as possible.

4. Re: Paper Recycling - Rebeareth Company.

Council will recall that Mr. Thorleifson appeared before it on March 15th for the purpose of requesting funds in the form of a loan with which to purchase a paper baler in order to make a recycling operation of the Company more economical. The cost of the baler was estimated to be \$1,075.00. It had been suggested in Council that perhaps the Corporation could purchase

4. Re: Paper Recycling - Rebeearth Company. (Cont'd)

the baler and then rent it to anyone, which might circumvent the restriction in the Municipal Act respecting the subsidization of private enterprise. Council felt that the practice of recycling waste paper products had considerable merit and referred the proposal to Mr. Kaller for consideration and report, bearing in mind all ramifications of the proposal.

Messrs. Thorleifson and Watson of the Rebeearth Company spoke to Mr. Kaller in his office on March 19th. Mr. Kaller reiterated that the Municipality cannot subsidize in any form any kind of commercial enterprise. Even when any given company does as economically useful work as recycling of paper, it cannot be assisted by the Municipality for legal reasons.

The Engineer has stated that Rebeearth Company is not the only enterprise in the paper salvaging business. If, for argument's sake, a municipal baler was acquired for the purpose of facilitating the work of all paper salvaging entrepreneurs, then the glass salvage companies, steel and metal recycling entrepreneurs, and other similar undertakings would probably expect the same assistance. If, theoretically speaking, this was possible, the taxpayer may rightfully demand that such a help be extended to Burnaby enterprises only and those handling exclusively Burnaby's waste materials. Control of observance of such restrictive operation would be impossible.

Some kind of collaboration between the salvaging industry and the waste materials administration is desired at a Regional Government level. But even at that level, it is recommended that the assistance must exclude subsidies and should limit itself to sharing of data and technological knowledge.

5. Re: Subdivision Reference No. 179/70
Sperling Avenue & Walker Avenue
Ranger Development (H. Noort).

The above subject was considered as Item 17 of the Manager's Report No. 18, 1971, by Council on March 15, 1971, and an exchange of properties was approved, with the Corporation to pay a sum of money for the "balance" of the new right-of-way.

The Land Agent met with the property owner concerned and was able to negotiate an equal exchange without any cash payment if the alignment were varied so as to make the areas equal. (See attached sketch.) The Engineer has agreed to this so this matter can now be concluded.

The legal survey is to be done by the developer and the necessary documents are to be drawn up. However, registration fees, if any, are to be paid by the Corporation.

We feel that this is a reasonable offer and we would recommend its acceptance, keeping in mind that Oakland Street between Empress and Walker Avenues, and the Sperling realignment, would not be constructed at this time.

6. Re: Lot 4, Block 72/73, D.L. 92, Plan 16614
Owner: A. & P. Aussem, 6649 Empress Avenue.

The Municipality acquired an easement over the north 10' of this property when the lot was created by subdivision some years ago. The easement (see attached sketch) contains a tile sewer that picked up drainage from the lane and led it to the street ditch on Empress Avenue.

Recently drainage improvements were made that eliminate the need of this drain or easement.

It is recommended that authority be granted to have this easement cancelled.

7. Re: Beresford Street.

For some years now, your Municipal Manager is told, the question has been raised periodically in Council as to the feasibility of developing Beresford Street on both sides of the railway right-of-way for separate two-way traffic movements.

Because of the amount of research required to come down with any sort of meaningful appraisal of the project, we are afraid the file is still open on the subject. This in turn is now presenting problems, insofar as private development of those sections of the right-of-way requiring acquisition are concerned, as future acquisition would limit development.

In view of the above, we are requesting Council's direction on further consideration of the proposal in order that we may deal with future development applications along this right-of-way. To assist Council in this matter, we are presenting some of the more obvious requirements that have presented themselves to us during a cursory examination of the proposal:

1. Council was of the opinion that there was very little right-of-way to be acquired. The truth of the matter is that of a total length of 17,690', the Municipality only has 8,275' or 47% in existing right-of-way.
2. Situated on the required right-of-ways are 30 separate buildings ranging from houses and apartments to concrete warehouse buildings. These occupy about 4,400' of the required right-of-way.
3. With the anticipated volumes of traffic on such a facility, we feel there will be a minimum requirement to signalize 12 intersections. These signals will be of a rather complicated nature in that each intersection will require two installations, one on either side of the railway right-of-way as well as some form of interconnect with the railway to control crossings while a train is passing.
4. There will also be problems with the free flow of vehicular traffic along Beresford Street for the following reasons:
 - (a) Many of the existing buildings have loading facilities right adjacent the roadway.
 - (b) There are a great number of railway spurs across the right-of-way and consequently the resulting delivery and pick-up of box cars could create lengthy stoppages to traffic. We might add here that some of these spurs not only cross the right-of-way at very acute angles, but some are parallel to and within the required right-of-way.
 - (c) There are bound to be further applications for spur trackage along this industrial roadway. Owing to the present zoning, refusal of such an application could prove difficult to justify.
5. Willingdon Avenue is planned to drop beneath the railway line. Even with signalization, there could be serious view problems associated with its intersection of Willingdon unless Beresford was designed to overpass Willingdon Avenue.

In summation, we would say that the obstacles in the path of developing Beresford Street into any form of a collector route would make such a project most questionable from not only a functional aspect, but also from a cost-benefit point of view.

This matter is being placed before Council for further direction. Possibly all applications for development should be brought to Council for review as they are received if Council is still interested in this subject in light of the above information.

8. Re: Chevron Canada Refinery Expansion
P.P.A. Application #1435
Block F. D.L. 188/189, Plan 3358 and 4953.

Application has been received from Chevron Canada for approval of a major expansion of their refinery installation in North Burnaby.

This project is intended to allow production of lead-free gasoline, and to improve the facilities for recovery of "light end" petroleum products. Plant output capacity is to be increased from 3,500 to 10,000 barrels per day. In addition, changes are to be made to the plant's flare stack to permit more efficient burning of waste or surplus gases, and the applicant claims that the improvements will result in a lessening of any nuisance caused by the plant's operation. Two additional propane storage tanks are also proposed, to provide for the increased output. The location of the proposed installations is shown on the accompanying sketches.

This application is for a use permitted under the Zoning Bylaw for the M3 District in which it is located, and the proposal observes all the relevant bulk regulations for that Zone. The Director of Planning advises that it is his intention to issue Preliminary Plan Approval, subject to acceptance of this facility with regard to environmental factors by the Health Department, from whom a report has been requested.

Inasmuch as we have been directed to report applications for additional storage tanks in this site to Council prior to approval, and in view of their expressed concern in this area, this matter is being brought to the attention of Council. Further particulars can be supplied if desired.

It is further noted that a report on the anticipated tankage expansion requirements for this refinery is currently being prepared, and will be presented for Council's consideration in the near future.

9. Re: Subdivision Reference No. 22/71.

In order to finalize the above subdivision, easements as shown on the attached plans A and B, are required. The following information applies:

A. Legal Descriptions:

Old legals: Lot 11, D.L. 131, Plan 23973
Lot 23, D.L. 131, Plan 24429
Lot 4, except Expl. Plan 16555, D.L. 131, Plan 5464
Lot 212, D.L. 131, Plan 29544

New legals: Lots 344, 349, 350, 351, 352, 353 and 354, D.L. 131
(Plan number to be assigned upon registration.)

B/C. Details of Ownership:

The title of the new lots, upon registration of the subdivision, will be in the name of:

Oak Mortgage Corporation Limited
c/o Doig, Guthrie and Baily,
7311 Kingsway,
Burnaby, B. C.

Philip August Porcher, President

D. Description of Easements:

As per attached R/W plans.

E/F. The easements are required for sewerage and drainage works and are to be provided at no cost to the Corporation.

G. The properties are located at:

1922, 1950, 1970 and 1990 Sperling Avenue, Burnaby, B.C.

It is requested that Council authorize the acceptance and execution of these easements.

Continued....

10. Re: Weldwood of Canada Limited - Lease
Lots 186 and 187 (Item 7, Manager's Report No. 23, 1971).

In reply to the enquiry raised last week about how the value of the above leases was determined, please be advised that under normal conditions, the basis for lease value is calculated from the market value of the property, using a percentage equal to current mortgage rates. This formula is applied wherever land leases are proposed, and there is a use to which the property can be put by the Lessee.

The rate established on Lots 186 and 187, was calculated 20 years ago when the Company was actively using the property for the purpose of dumping logs and it was served at that time by a rail spur. The Company has not used the property for this purpose for some considerable number of years, and the spur has been removed.

Neither of these two lots have any Municipal services, and the only access is over a privately owned bridge, and through private property. In this instance, the only basis for a lease rate appears to be one of negotiation, or how much the Company is prepared to pay to have some measure of control over the uplands fronting on Water Lot 6317.

The total area involved in the two parcels is 13 acres, and if the lease proposal is consummated, the return to the Municipality in lease fees and taxes will be approximately \$3,850.79. If our standard leasing formula were applied to this property using the general assessment as a basis at 10%, the annual rental should be \$8,840.00 per year. However, as this property is not useable in the normal sense and therefore is not in demand either for leasehold, or sale for any particular purpose, if Council wishes to lease this property, it is our opinion the rate will have to be on a negotiated basis.

This is for Council's information.

11. Re: Application for the Rezoning of the following Corporation-owned
properties:
(1) Lots 8, 9, 10 and 11, Block 1, D.L. 79S, Plan 1995; and
(2) Lot "B", Block 1, D.L. 79S, Plan 6642, and Lot "C" North
225 ft., Block 1, D.L. 79S, Plan 6884, from R1 Residential
to P3 Park and Public Use.

The first group of the above described properties has been acquired for park and recreational development and are included within the recently approved Heritage Park Centennial Project. A firm of architects has been commissioned to assist in the design and development of the site for this purpose.

The second two lots, which were acquired by the Corporation from the Universal Life Foundation in April, 1970, will form a part of the developing Century Gardens - Deer Lake Park complex. (See attached sketches.)

This application has been initiated by the Planning Department in order to bring these properties into conformity with their intended use.

It is recommended that this rezoning application be advanced for further consideration.

12. Re: Federal-Provincial Special Development Loan Program -
1971 Local Improvement Program.

The Clerk had supplied a Certificate of Sufficiency covering Local Improvement Works initiated on February 25, 1971, pursuant to the above financing program.

The Certificate details in the second paragraph those works where Council has been estopped from proceeding with the works as a local improvement by reason of the filing of sufficient petitions.

The following comments are applicable with respect to the Certificate of the Program generally:

12. Re: Federal-Provincial Special Development Loan Program -
1971 Local Improvement Program. (Cont'd)

- I. A problem has arisen over the works initiated on Government Road. The works were initiated in two parts:

Project No.

- 71-014 - 36-foot pavement widening with curbs both sides between Phillips and Brighton Avenues.
71-015 - 5½-foot sidewalks, shareable by property owners on both sides of Government Road between Piper and Brighton Avenues.

It came to the attention of the Clerk late in the objection period that these works were to have been initiated as one project and that the rates had been set accordingly. The complication is that the curb and pavement works have not been approved by the people (Project No. 71-014), but the sidewalk works have been approved (Project No. 71-015).

It will be appreciated that these initiatives were part of a crash program and while the affected owners were supplied with notices showing the work to be done and the costs applicable to their properties together with a circular of general information, they were not advised in writing that both projects had to pass if the sidewalk was to be built. We have had other cases where we have added a sidewalk on to a curb paving project but both works were successful as far as petitions were concerned.

In summary, the price quoted for the sidewalk is not the price that should be used if it were to be built as a separate unit and secondly, it is not good practice to build a separate sidewalk without benefit of curb and pavement to provide proper drainage. It is therefore recommended that Project No. 71-015 be deleted from the program by Council using its prerogative to not do the work.

- II. Petitions have been received against Project Nos. 71-008 and 71-019 on the schedule of local improvement works which, while representing a majority of the owners on each project, do not represent at least one-half of the value of the parcels to be specially charged. Since we had a deadline of March 31, 1971, to meet in connection with filing our applications for Federal-Provincial loans, and since there was not time to get direction from Council on these projects because the Certificate of Sufficiency is dated March 31, 1971, we took the liberty of deleting these two projects from our request for funds. This, however, does not preclude Council proceeding with these works and going to the Regional District for the financing concerned.

Since the petitions against these two works are not sufficient and since they are pavement works, it is recommended that they be proceeded with, with financing to be arranged for through the Regional District.

- III. There are other projects which will also be coming up which were on the lists of works originally approved by Council on January 19, 1971, and February 8, 1971, but not initiated for several reasons.

As soon as we have the right of way plans (if we do not already have them), we can proceed with the initiation of the following:

a) Grange-Dover By-Pass	Drainage	\$100,000	
	Roadwork	225,000	
	Land	<u>160,219</u>	\$485,219
b) Buffalo	Roadwork		23,000
c) Hazel			<u>12,000</u>
			<u>\$520,219</u>

It is planned to withhold the following projects until next year because there are current paving charges on the streets concerned which will expire in 1972:

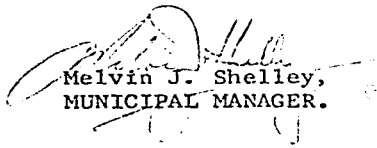
a) Balmeral	Roadwork	\$ 13,500	
b) Imperial	Roadwork	151,000	
c) Arcola	Roadwork	<u>12,000</u>	<u>\$176,500</u>

with, or without, as the case may be \$78,000 in drainage costs.

Continued....

12. Re: Federal-Provincial Special Development Loan Program -
1971 Local Improvement Program. (Cont'd)
- IV. For the information of Council we may not get the full 1.7 million dollars from the Federal-Provincial Special Development Loan Fund that we require for the Local Improvement Program as it now stands which has been initiated and not petitioned against. We have been assured of 1 million dollars for the Drainage Program. Any shortage or balance for the Program in total will have to be made up by borrowing from the Regional District.
- V. Attached for Council's information is a reconciliation of the above-mentioned programs.
13. Re: Estimates.
- Submitted herewith for your approval is the Municipal Engineer's report covering Special Estimates of Work in the total amount of \$40,000.
- It is recommended that the estimates be approved as submitted.
14. Re: Fire Department.
- Submitted herewith for your information is the report of the Fire Chief covering the activities of his Department for the month of March.

Respectfully submitted,


Melvin J. Shelley,
MUNICIPAL MANAGER.

MJS:ep

Attachs.