

## **Kensington Island Properties (KIP) Master Development Agreement**

### **Frequently Asked Questions**

**December 12, 2017**

**Q. Why did the CVRD revise the KIP Master Development Agreement (MDA) at this time?**

A. The 2010 MDA contained a number of clauses that limited progress on the KIP project. For instance, proof of water was required for the entire development which exceeded the operating permit of the Union Bay Improvement District (UBID) and no other source of water was immediately apparent. The former Master Development Agreement required that the CVRD approve the UBID KIP water agreement yet UBID is an autonomous government with responsibility for water supply within its boundaries. The revised MDA includes practical achievable clauses with respect to water supply.

**Q. How has the MDA been revised?**

A. The primary change is that the KIP lands can now be developed in phases, once a water agreement is in place for each phase. The first phase is expected to include between 80-100 residential units and is located in the CDA-2 area just north of the Coal Hills site. The developer can begin the design work immediately. The 2017 MDA also clarifies when and where the 16 per cent parks and trails dedication will occur and there were changes to reset the clock for the developer to provide 30 serviced single family lots for affordable housing including six lots in the first phase, the remaining 24 by 2027 and an immediate cash donation of \$250,000.

**Q. What public benefits will be included in the revised KIP master development agreement?**

A. The proposed public benefits, sometimes referred to as “community amenities” are largely unchanged in the 2017 agreement. The developer agreed to firm up the timing and the specifics of the amenities and the community will benefit from obtaining more certainty about these amenities. This includes:

- 30 single family serviced lots for affordable housing by 2027 with six lots donated to the CVRD in the first phase.
- \$250,000 cash contribution to the CVRD Homelessness Supports Service by December 31, 2017.
- 16 per cent of the area will be donated as public parks and trails for a total of 51.3 hectares of park. This includes 36.7 hectares in the first phase of development as shown on Schedule C of the MDA and 14.6 hectares of parks as a second phase.
- Annual monetary contribution of \$5,000 per year for five years to the CVRD transit program to a maximum of \$25,000.
- Donation of land for a public assembly place.
- Donation of a serviced lot for a fire hall.
- Donation of a 1.62 hectare parcel of land to Union Bay Improvement District for a new water treatment facility.
- Improvements to three highway intersections.
- One lot for a school site OR a school site acquisition charge.

**Q. How and where will the parks and trails be constructed?**

- A. Schedule C of the MDA identifies that the parks and trails will be constructed in two phases. The first phase includes a series of trails and park land in the CDA-1, CDA-4 and CDA-5 areas and totals 36.7 hectares, as shown on Schedule C. The second phase totals 14.6 hectares and is in the northern area around Washer Creek in the CDA-1 area. The total parks and trails contribution is 51.3 hectares. This is a significant improvement over the previous MDA where the parks and trails, and the timing for that public land dedication was unspecified. CVRD Parks staff and KIP will work together collaboratively to finalize the construction and siting of those trails and parks.

**Q. What is the status of the contaminated coal hill site and the responsibility to remediate that contaminated site?**

- A. In the 2017 revision of the MDA the 11.90 hectare parcel was removed from the KIP MDA Area Plan. The land is crown land and a portion, the 5.30 hectare site of the Coal Hills was transferred in April 2017 to the province and removed from the KIP lands. An adjacent 6.0 hectare parcel is currently leased to West Fraser Mills and that lease expires in 2018. The province has indicated they intend to commence a remediation plan for the site and they have been requested to attend a board meeting in the spring of 2018 to provide an update to the board on the remediation plans, process and future plans of this public land. The BC Ministry of Environment administers the remediation of contaminated sites.

**Q. What happens next with the KIP application?**

- A. These revisions allow the KIP project to proceed in accordance with the MDA and the site zoning. Like any other development, the developer will submit an application to the Ministry of Transportation and Infrastructure (MoTI) once the terms of the MDA have been met and can proceed. It helps UBID to proceed with the construction of its new water treatment facility in order that it can meet its obligations to Island Health towards drinking water standards. For the citizens of Union Bay, they will be looking forward to the construction of the parks and trails and now have the benefits of certainly of exactly what will be built, where and when. We hope the new certainty around this project will allow for the community of Union Bay can begin to work together.

**Q. Will the development provide its own sewer system?**

- A. KIP's Master Development Agreement requires it to build a wastewater treatment facility for the development. The MDA also requires that this infrastructure have the capability for expansion to include and serve residents in the Union Bay and Royston area, as explained in the bullet below.

**Q. Does KIP have to provide sewer service to residents of Union Bay and Royston?**

- A. No, but Section 3.1. s of the MDA requires that the sewer system infrastructure, including the force mains and the wastewater treatment facility, be designed to accommodate additional cells to enable a future Royston and Union Bay sanitary sewer system to be tied in at some point in the future. The MDA does not require the developer to construct the lines between its sewer infrastructure and a future Royston or Union Bay system, and those costs would be borne by the residents of Union Bay and Royston as a new wastewater service, should that service be approved at some later date. The only obligation the developer has is to ensure that the infrastructure is built large enough and that it has the capability for expansion to accommodate a future service.

**Q. Will KIP provide its own water system?**

- A. The Master Development Agreement requires KIP to enter into an agreement with UBID to obtain potable water for the development. KIP is responsible for constructing the water infrastructure for the development. For its part, UBID, as an autonomous level of government with the legislated mandate to distribute and treat water, and KIP are responsible for entering into a service agreement with UBID for the water required for the development.

**Q. Will the water meet Island Health requirements?**

- A. Yes. In BC, drinking water quality is based on Health Canada Guidelines for Canadian Drinking Water Quality. The new UBID water treatment plant will adhere to these requirements in addition to the provincial surface water treatment objectives.

**Q. Where will the new water treatment plant be located?**

- A. The proposed location for the water treatment plant is identified in the revised MDA in Schedule E as being on a 1.62 hectare parcel that KIP has donated to UBID. The parcel is located at the corner of McLeod and Musgrave Road.

**Q. What is a Master Development Agreement (MDA)?**

- A. An MDA is a legal contract between a property owner and local government used for large scale residential, industrial and commercial developments. The agreement sets out the terms and conditions under which development of lands are to take place including the responsibility to construct public facilities and associated financial obligations. It is registered as a Section 219 covenant on the title to the land and runs with the land as a standing obligation in the event that the land is sold until the conditions are met.

**Q. How many units are included in the development?**

- A. The approved Master Development Agreement allows for approximately 2,889 residential units, including single detached dwellings, carriage houses, secondary suites, and multi-family units as well as affordable housing units. It is expected that the build out will occur over many years. There is also a clause that allows for a two to one density bonus for the developer to create as many as 60 additional single family lots in exchange for the 30 affordable housing lots that the developer is donating to the CVRD as a community amenity.

**Q. What is density bonusing?**

- A. Density bonusing is a planning tool that permits applicants to increase the number of permitted units on a property in exchange for helping the community achieve other public policy goals such as parks, trails, water and sewer infrastructure or other public amenities. Increased density may be in the form of increased square footage or an increase in the number of residential units.