



**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF WEDNESDAY, DECEMBER 11, 2013**

SUBJECT MCLOUGHLIN POINT REZONING – SUPPLEMENTARY REPORT

ISSUE

To consider next steps in the event that agreement cannot be reached on the issue of Esquimalt's height and setback requirements.

BACKGROUND

The third design review meeting between the proponent teams and the Esquimalt design review committee took place on December 3. The committee was requested to inform each proponent as to whether or not they met the design guidelines. All three proponents met the design guidelines but, none of them met the height and setback requirements of the bylaw. CRD staff have submitted a proposal to resolve the height and setback issue following a negotiating session on the afternoon of December 3. Should that proposal be unacceptable, staff are of the opinion that an impasse will have been reached and that the assistance of the Province should be sought in resolving the outstanding issues.

ALTERNATIVES

That the Core Area Liquid Waste Management Committee recommend to the CRD Board:

1. That immediate assistance be requested from the Minister of Community, Sport and Cultural Development for arbitration to resolve the impasse between the CRD and the Township of Esquimalt in the event that agreement is not concluded with Esquimalt.
2. Receive this report for information and forward it to the CRD Board for information.

IMPLICATIONS

If arbitration becomes necessary, it will take several months to reach a conclusion. This will result in the submission date for the proposals having to be delayed until the result of the arbitration are known as it will impact the proponent's ability to complete their proposals. As previously advised, the cost of delay is estimated to be approximately \$900,000 per month. A delay would also raise concerns among the proponents as to the certainty of when or even if the project is going to proceed. They will incur the costs of keeping their proposal teams intact and may be forced to disperse their teams unless compensation is paid by the CRD. They may increase their risk premiums to address this uncertainty.

CONCLUSION

If agreement is not reached between the negotiators on the latest CRD proposal to resolve the height and setback issue impasse, then the Province should be requested to appoint an arbitrator to resolve the issue. The resulting delay will have serious implications for the Seaterra Program schedule. The closing dates for the technical and financial proposals would have to be delayed until the results of the arbitration process were known. This will undermine market confidence in the Program, increase costs for the proponents and increase the potential for budget overruns.

RECOMMENDATION

That the Core Area Liquid Waste Management Committee recommend to the Capital Regional District Board:

That immediate assistance be requested from the Minister of Community, Sport and Cultural Development for arbitration to resolve the impasse between the CRD and the Township of Esquimalt in the event that an agreement is not concluded with Esquimalt.

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