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**To:** Mayor and Councillors  
**From:** Terry Crowe  
Manager, Policy Planning  
**Date:** March 23, 2006  
**File:** 08-4045-20-11/2006-Vol  
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**Re:** **Public Consultation - Summary**  
**West Cambie Area Plan - Development Cost Charge Bylaws**

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As directed by Council, staff held two public meetings on the proposed Development Cost Charge (DCC) bylaws proposed for financing development in the West Cambie Area - Alexandra Neighbourhood (Local Area DCC Bylaw No. 8031 and City-wide DCC Bylaw No. 8037), on Thursday, March 9, 2006.

The purpose of this memorandum is to present the results of these meetings. This information was presented to Council at the Public Hearing, March 20, 2006, and it is presented here to assist Council in its DCC Bylaw deliberations at the Monday, March 27, 2006 Council Meeting.

**A. Meeting with the Development Community (March 9, 2006 Afternoon)**

The following developers were in attendance:

- Tom Morton, Wing Li (Palladium)
- Scott Baldwin, Steve Jedreicich (Polygon)
- Tiffany Duzita, Nathan Hildebrand (First Pro)
- Rodney Rao, Richard Wittstock (Amacon)
- Farid Damji, Muhammed Virani, Nazim Panju (Ismaili Council)
- John O'Donnell (Ledingham/McAllister)
- Kyle Shurry (Townline)
- Norm Coutttie (Adera)
- Brian Dagneault (Planning Consultant for Ismaili Council)
- Peter Simpson (GVHBA)

The key points that came out of the meeting and staff's responses are as follows:

1. The property owners don't recognize that it is more expensive to develop in Alexandra.  
*This will become apparent as development occurs in the neighbourhood, in light of today's costs.*
2. The economics of development are expensive (the City is asking too much from developers).  
Suggestions to address this included:
  - (a) Give developers in the Alexandra area a break on the City-wide DCCs;

*It would be very difficult and perhaps impossible, to determine, in the City-wide DCC Program, how to charge development in the Alexandra neighbourhood, less than development elsewhere.*

- (b) Transfer the \$22,318,398 natural area from the Local Area DCC to the City-wide DCC;

*Natural areas are typically funded by City-wide DCCs, and for consistency sake the Province may argue that's where they belong; however, including them in the City-wide DCC would probably mean that the lands would have a low City acquisition priority, and properties may not be purchased for a number of years because of other City-wide priorities (e.g., Terra Nova natural area).*

*Furthermore, the natural area benefits the local area the most because this area is a link for local residents to move about the area and it would seem to be more a neighbourhood asset than a community wide asset.*

*Staff recommend leaving the natural area in the Local Area DCC Bylaw.*

- (c) Increase the municipal assist factor in the DCC Programs;

*The assist factor for the Local Area DCC must be the same as for the City-wide DCC, currently 1 percent. Changing the local assist factor would require an equivalent change in the City-wide DCC, creating a much larger liability for the City.*

- (d) Include the north-south roads in the Local Area DCC.

*City staff recommend that the three north/south roads be added to the Local Area DCC Program. This involves:*

- *Amending Local Area DCC Bylaw No. 8031;*
- *All development in the Alexandra area would assist with road land acquisition [at the proposed rate of \$45 per square foot] and assist with road construction costs;*
- *Developers build the roads and pay all of these costs;*
- *As developers build the roads, they receive a DCC credit, for the amount of the roads which they build, but only up to the amount of the DCC Program rate [e.g. \$45 per square foot for land].*
- *To receive financial compensation for the cost of the roads which they build above the DCC credit, developers enter into a "front-end" agreement with the City.*
- *As the City collects DCCs, the City pays developers back at the above rate.*
- *The DCC Program road rate may be adjusted annually by the City.*

- (e) It was suggested by one developer that the \$45/ft<sup>2</sup> used to calculate the land costs for road was too low.

*The \$45/ft<sup>2</sup> is consistent with current market rates.*

**B. Meeting with the Neighbourhood (March 9, 2006 Evening)**

Around 80 members of the public were in attendance.

The following questions/points were made:

1. Was the cost of the north-south road being reviewed because it has a big impact on property values (e.g., could they be included in the DCC Program)?

*Yes (see point 2d, above).*

2. Concern was expressed that by designating properties which include Environmentally Sensitive Area (ESA) designation as Natural Park, the sale value of these properties was diminished.

*A fair market assessment of the properties will be made during the process of negotiation for acquisition. The proposed Local Area DCC Bylaw No. 8031 has included these properties in the DCC Program at an estimated fair market value of \$45/ft<sup>2</sup>.*

3. The amount of money (\$22,318,398) in the Local Area DCC Bylaw is insufficient to purchase the approximately 14 acres of Natural Park.

*The southeast green space is comprised of:*

- *Natural Area Park - 11 acres - to be purchased,*
- *Natural Area Greenway - 3 acres – from the future consolidation of a portion of Alexandra Road.*

*The Local Area DCC has been estimated based on recent property sales in the area at up to \$2 million per acre (approximately \$45/ft<sup>2</sup>). The budgeted amount should be sufficient to acquire the land. The City can update the DCC rates bylaw annually if current estimates prove insufficient.*

4. Would the appraisal value of a property be used to determine its value, if required for park land?

*A fair market value would be used based on the sale of comparable properties elsewhere. Property owners and the City would both undertake independent realty appraisals prior to sale/offers to purchase.*

5. Could the DCC Bylaws be changed now if the calculations (e.g. \$45 ft<sup>2</sup> for land) upon which they're based too low?

*DCC Bylaws may be updated annually to keep abreast of cost increases. Staff would prefer to utilize this approach since we believe that the existing calculations are sound.*

6. Why not include the east-west roads in the Local Area DCC Bylaw, too?

*The north-south roads have much greater impact on properties than the east-west roads because of the lot orientation in the Alexandra area. The Province may raise issues with respect to the consistency of roads classifications to be included in DCC bylaw since local roads are not normally included in a DCC Bylaw.*

7. How would a developer be reimbursed for a north-south road if it is included in the Local Area DCC Bylaw (e.g., Front-End Agreement)?

*For servicing in the Local DCC Bylaw, developers who dedicate and build the north-south road would be eligible for DCC credits to the maximum of the DCCs to be paid, or the estimated cost of the project in the DCC Program, whichever is lesser.*

*Any further DCC rebates from the DCC Program would be by means of a front-ender agreement to a maximum of the project in the DCC Program, or the actual project cost, whichever is lesser (e.g., actual project road cost \$90,000, project road DCC budget \$100,000, DCCs to be paid \$40,000; DCC credits \$40,000, DCC rebates \$50,000 by a front-ender agreement).*

*The same principle would apply to services in the City-wide DCC Bylaw (e.g., actual project road cost \$125,000, project road DCC budget \$100,000, DCCs to be paid \$40,000; DCC credits \$40,000, DCC rebates \$60,000, by a front-enders agreement).*

8. Won't the City receive more taxes from this area because of development which it could use to buy park land?

*Yes, the City will receive more taxes from this area when it is developed. However, only a very small percentage of the City budget is available for capital works or land acquisition; the large majority of the budget is for regular City operations, such as police, fire, public works maintenance, parks and recreation services, etc. With 6,000 new people expected, the demand for those services will increase accordingly. In addition, the City already pays for a small percentage of the projects and acquisitions in the DCC programs through the assist factor.*

### **Financial Implications**

The new Local Area DCC bylaw, as amended by Local Area DCC Bylaw No. 8060, is estimated to increase the Local Area DCCs, above those proposed in Local Area DCC Bylaw No. 8031, by approximately:

- \$2.57/ft<sup>2</sup>, for multi-family residential apartment development;
- \$1.92/ft<sup>2</sup>, for multi-family residential townhouse development; and
- \$5.13/ft<sup>2</sup>, for commercial development;

### **Summary**

Staff recommend:

- no changes to City-wide DCC Bylaw No. 8037;
- that Council abandon Local Area DCC Bylaw No. 8031; and
- that a new Local Area DCC Bylaw No. 8060, as amended to include the north-south roads in the Alexandra neighbourhood be introduced and given first, second and third readings.

No changes can be made to the West Cambie Area Plan Bylaw No. 8029 because it received second and third reading at the Public Hearing on March 20, 2006. Council has already amended the West Cambie Area Plan at the Public Hearing to reflect the inclusion of the north-south roads in the new Local Area DCC Bylaw No. 8060.

March 23, 2006

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For clarification, please contact me at 604-276-4139.



Terry Crowe  
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TTC/HB:hb

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