



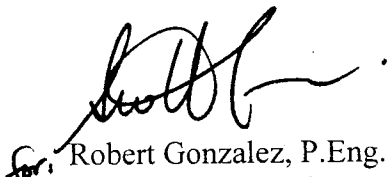
City of Richmond


Report to Committee

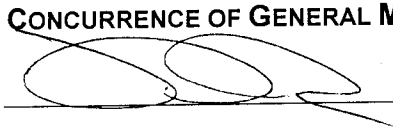
To: Public Works and Transportation Committee **Date:** July 29, 2004
From: Robert Gonzalez, P.Eng. **File:** 08-4100-01/2004-Vol 01
Director, Engineering
Raul Allueva
Director of Development
Re: Infrastructure Review

Staff Recommendations

That the "Infrastructure Review" report from the Director, Engineering and Director of Development be received for information.


for: Robert Gonzalez, P.Eng.
Director, Engineering
(4150)


Raul Allueva
Director of Development
(4138)

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ROUTED TO:		CONCURRENCE		CONCURRENCE OF GENERAL MANAGER
Law		Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>	
Building Approvals		Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>	
Policy Planning		Y <input checked="" type="checkbox"/>	N <input type="checkbox"/>	
REVIEWED BY TAG		YES <input type="checkbox"/>	N/A <input type="checkbox"/>	REVIEWED BY CAO
				YES <input checked="" type="checkbox"/> N/A <input type="checkbox"/>

Staff Report

Origin

Development activity across Richmond is on the rise. Traditionally, redevelopment has not materially impacted the ability of the existing infrastructure to service these new developments. However, with increased redevelopment and aging infrastructure, staff are finding that certain areas require infrastructure upgrades to meet the needs of new development.

The purpose of this report is to present a planned approach to address the infrastructure requirements for new development and to proactively provide developers with as much information as possible at the early stages when considering a new development.

Analysis

Arterial Road Infrastructure Issues

Most development activity occurs along Richmond's major roads (arterial roads). In most cases, infrastructure along major roads is adequate to serve new development. Nevertheless, developments along major roads may in some cases necessitate infrastructure upgrades, particularly in known problem areas where infrastructure is deficient (ie. Williams Road), or where a substantial increase in density is proposed.

The Community Charter enables municipalities to collect Development Cost Charges (DCCs) for upgrades to infrastructure to accommodate new development along major roads based on the capital plan. Therefore, although these upgrades may ultimately be covered through the DCC program and would be borne by general DCC funding, the necessary works may not be identified in the current capital plan, and therefore could not be advanced in coordination with a specific development.

Local Road Infrastructure Issues

Although the number of development applications along local roads remains small relative to development activity in the City, it has risen to the point where in some neighbourhoods the infrastructure cannot support the growth. The City's past practice where infrastructure along local roads is not upgraded to meet the increased demand of new development is not working in some neighbourhoods. The DCC program cannot be applied to local roads in accordance with the Community Charter.

For larger development projects, developers are able to construct the necessary infrastructure to support their development through the servicing agreement with the City. However, in areas where only small developments can occur because it is not feasible to assemble large parcels of land, infrastructure costs can be significant in relation to the development. Although developers can utilize Latecomer Agreements to recover some of the capital construction costs, it can be financially onerous to the point where the necessary supporting infrastructure upgrades preclude development.

As a result there is a need to be proactive in providing developers with more information at the early stages when considering developments, in particular where known problem areas exist, or where infrastructure upgrading requirements are more likely to be anticipated.

Proactive Approach

The following initiatives aim to assist developers in identifying possible infrastructure requirements as early as possible when contemplating a project:

Identification of Problem areas and City Infrastructure Modelling

Known or suspected infrastructure problem areas will be identified and flagged for developers at the pre-application review stage to ensure a proper investigation of possible infrastructure upgrades associated with a development. In addition, much of the infrastructure modelling for the City's drainage, sanitary, and water systems, will be completed by year end. Once completed, staff will be able to provide developers with further insight with respect to required infrastructure upgrades when considering a development, and confirm specific problem areas.

Infrastructure Review Procedure

An infrastructure review procedure is being implemented in the interim to ensure that, prior to the infrastructure modelling being completed by the City, sufficient information is coordinated and obtained early in the process from developers in cases where potential infrastructure upgrading may be required for both arterial and local roads. A summary of the procedure is provided as **Attachment 1**.

Consultation

In order to ensure adequate information is provided to the development community, staff will consult with the Richmond branch of the Urban Development Institute (UDI) and the Greater Vancouver Home Builders Association (GVHBA) on the City infrastructure modelling, known or suspected problem areas, and the proposed interim infrastructure review procedure.

Cost Recovery Options

In most cases, infrastructure upgrading will not be required, and development will be permitted to proceed. However, should infrastructure upgrades be identified for a specific site, either on an arterial or local road, developers will continue to be able to install the necessary upgrades at their cost, and recover a portion of this cost through Latecomer Agreements for any infrastructure that also provides a benefit to future development. If the site is located on an arterial road, although the necessary upgrades would ultimately be covered by the DCC program and completed by the City at a future date, the developer may have to install the works at his cost to advance the work (although the works would be eligible for DCC rebates). Alternatively, if the costs are excessive, the application may be delayed until the required works are included in the DCC program and constructed by the City or jointly with a developer through a coordinated works agreement.

As a further consideration, where it is likely that many small developments can be expected over time, staff may propose to Council that the City pre-service an area and recover some of the capital costs through Latecomer Agreements as well.

Timing

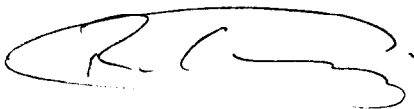
Most developers understand the need to account for infrastructure requirements for a project, and confirm and include these requirements and costs early in the process. However, some developers of smaller projects do not consider infrastructure requirements early in the process, and as a result are caught by surprise later upon detailed servicing plans being prepared. For these developers, confirming infrastructure requirements as part of the rezoning application process may result in unanticipated additional time requirements, and may be perceived as a time delay. However, obtaining this information is necessary and beneficial to ensure that infrastructure is provided to serve development and thus minimize those instances where developers may be caught unaware of servicing issues. The additional information provided by the City on the existing infrastructure and key problem areas will be made available at an early stage, and thus will provide further benefit by assisting developers to identify potential servicing issues early in the process.

Financial Impact

There is no financial impact.

Conclusion

Development activity has increased significantly over the past few years. Although in most cases existing infrastructure can support redevelopment, there are instances where the infrastructure can no longer absorb the increased demand from new developments. In order to be proactive, staff will provide more base information to developers through the completion of infrastructure models as necessary, and identify known or suspected problem areas from the outset. In addition, for significant projects, developers will be asked at an early stage to confirm the existing servicing capacities in the area, and provide for infrastructure upgrades as part of their development project if necessary.



Robert Gonzalez, P. Eng
Director, Engineering
(4150)



Raul Allueva
Director of Development
4138

Attachment 1

Interim Infrastructure Review Procedure

OBJECTIVES:

- To ensure the efficient and cost-effective provision of City servicing infrastructure.
- To Coordinate servicing infrastructure requirements with development applications, and ensure appropriate information is provided at an early stage to developers to assess possible infrastructure upgrades associated with a development application.

INFRASTRUCTURE REVIEW GUIDELINES:

- During the pre-application consultative process with City staff, or upon a rezoning application being submitted, the City will provide any available servicing information on:
 - Servicing Infrastructure Modelling completed to date; and
 - Known or suspected servicing problem areas.
- During the pre-application consultative process with City staff, or upon rezoning application submission for all
 - commercial, industrial, or institutional developments, and
 - for significant residential projects, which are defined as:
 - **20 or more units on an Arterial Road, or**
 - **10 or more units on a Collector or Local Road**

developers will be required to examine the existing infrastructure and confirm whether it meets the needs of the proposed development or alternatively provides for the necessary upgrades as part of the project.

Once identified, the respective infrastructure upgrading requirements will form part of the conditions for a rezoning application.

City of Richmond, Aug. 2004