




City of Richmond

Report to Committee

To: Planning Committee **Date:** September 9, 2004
From: Raul Allueva **File:** 1000-08-012
Director of Development
Re: **School Site Acquisition Charge Update**

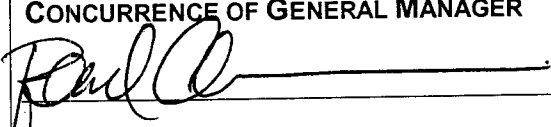
Staff Recommendation

That the report from the Director of Development dated September 9, 2004 regarding the School Site Acquisition Charge update, and the attached letter from the Arlington Group dated August 27, 2004 regarding facilitation concerning School Site Acquisition Charges for School District No. 38 (Richmond), be received for information



Raul Allueva
Director of Development
(4138)

Att.

FOR ORIGINATING DIVISION USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/> <i>ow</i>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input type="checkbox"/>	NO <input type="checkbox"/>

for

to 1.03 ha in order to protect their ability to acquire further lands in the community for future school needs.

Consultation

2. School District staff did meet with the UDI and GVHBA. One of the primary concerns of the development industry is that the sale of surplus school sites should be used to help purchase the land required for future school sites thus reducing the school site acquisition charges. Unfortunately, as noted by the facilitator, the existing *Local Government Act* does not allow for this at the present time. Therefore, the UDI and GVHBA will have to lobby the Provincial Government directly for legislative changes.

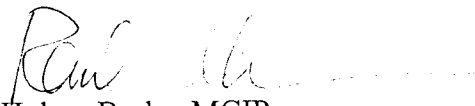
Staff from the City and School District have agreed to consult with the UDI Liaison Committee and representatives of the GVHBA this fall regarding the eligible school sites proposal for the 2005/2006 five year capital plan and on various specific administrative matters (e.g. the methodology for projecting dwelling units over the next ten years; etc.).

Financial Impact

Due to the length of time it took to go through the facilitator's process, there will not be any increase to the school site acquisition charges this year. Instead, staff will be now focus on next year's eligible school sites proposal. As a result, there will be no change in the school site acquisition charges until 2005. At this point in time, staff do not expect any major changes in these charges.

Conclusion

City Council did not approve the School District's eligible school sites proposal for the 2004/2005 five year capital plan. Consequently, a facilitator was appointed who has helped staff from the City and District reach an agreement that will be used in reviewing the eligible school sites proposal for the 2005/2006 five year capital plan. Therefore, no changes are being made to the school site acquisition charges this year.

for 
Holger Burke, MCIP
Development Coordinator
(4164)

HB:rg

Attachment: August 27, 2004 Letter From Arlington Group Re: Facilitation Concerning School Site Acquisition Charges For School District No. 38 (Richmond)

Staff Report

Origin

In December 2003, Council advised the Richmond School District that the City did not accept the District's eligible school sites proposal for the 2004/2005 five year capital plan which would have been used to determine this year's school site acquisition charges.

Specifically, the City requested that the School District provide a detailed explanation justifying the areas for the two eligible school sites and that it consult with the Urban Development Institute (UDI) and Greater Vancouver Home Builders Association (GVHBA).

As a result, the School District requested that the Minister of Education appoint a facilitator to help resolve the dispute as required under the *Education Statutes Amendment Act, 1998*.

The purpose of this report is to outline the results of this process.

Findings Of Fact

Over the past four months, City staff have met with the facilitator (Graham Farstad of the Arlington Group) and with staff from the Richmond School District (Ken Morris, Secretary-Treasurer and Garry McLean, Manager of Facilities).

As indicated in the attached correspondence from Mr. Farstad, an agreement has been reached by the staff involved on the two issues identified by City Council and on several related administrative or procedural matters raised by the School District.

Analysis

In response to the two specific items that City Council requested a further explanation on, staff can report as follows:

Eligible School Sites

1. It would appear that School District staff in previous years incorrectly reduced the site area required for the MacNeill Secondary School. As noted by Mr. Farstad, the Ministry of Education has affirmed that the original 2.12 ha should be used until all of the school site acquisition charges for that site have been collected.

With respect to the proposed Dover Crossing Elementary School, it has been agreed to reduce the size of the eligible school site from 2.7 ha to 2.0 ha. At present, the School District owns approximately 1.03 ha of land in this neighbourhood. The City has conveyed that no additional parkland will be sold to the School District, although a joint use agreement could be used to share the use of the City's land for playground space. The 1.03 ha owned by the School District is a sufficient size to accommodate all of the required buildings for an elementary school site. However, School District staff are not prepared to reduce the size to be used for the school site acquisition charges from 2.0 ha



School District No. 38 (Richmond)
7811 Granville Avenue, Richmond, BC V6Y 3E3

To: Planning Committee
Sept 21, 2004
Item 4
School Site Acquisition Charge
update Tel: (604) 668-6000

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0155-62

September 8, 2004

The Honourable Tom Christensen
Minister of Education
PO Box 9045, Stn Prov Govt,
Victoria, B.C.
V8W 9E2

BOARD OF
SCHOOL TRUSTEES

Dear Minister Christensen:

**Facilitation Concerning School Site Acquisition Charges
for School District No. 38 (Richmond)**

Linda McPhail
Chairperson

Sandra Bourque
Vice Chairperson

Chak Kwong Au
Trustee

Andy Hobbs
Trustee

Annie McKittrick
Trustee

Debbie Tablotney
Trustee

Patricia Whittaker
Trustee

Bruce Beairsto
Superintendent of Schools

Tel: 604-668-6081
Fax: 604-668-6006

Ken Morris
Secretary - Treasurer

Tel: 604-668-6012
Fax: 604-668-6161

I am pleased to advise that at the September 7, 2004 public meeting of the Board of School Trustees (Richmond) the following resolution was passed:

299/2004

THAT the Board of School Trustees (Richmond) advise the Minister of Education that the Board approves the agreements reached between the school district and the City of Richmond concerning school site acquisition charges, as detailed in the August 25, 2004 report prepared by The Arlington Group.

CARRIED

I would like to acknowledge the invaluable assistance of Mr. Graham Farstad the facilitator appointed to assist the School District and the City of Richmond in reaching an agreement in this regard. For your information I enclose a copy of Mr. Farstad's final report.

Thank you for your assistance in bringing resolution to this matter.

Sincerely,

Mrs. Linda McPhail, Chairperson
On Behalf of the Board of School Trustees

- cc Trustees
- Superintendent of Schools
- G. McLean, Manager of Facilities
- G. Farstad, Facilitator
- R. McKenna, City Clerk ✓



August 27, 2004

Mr. John Woycheshin
Ministry of Education
P.O. Box 9151, Stn. Prov. Govt.
Victoria, B.C.
V8W 9H1

RECEIVED
SEP 01 2004

School District No. 38 (Richmond)
OFFICE OF THE SECRETARY TREASURER

Dear Mr. Woycheshin;

**Re: Facilitation Concerning School Site Acquisition
Charges for School District No. 38 (Richmond)**

On February 11, 2004, pursuant to Section 937.4(8) of the *Local Government Act*, I was appointed by the Minister of Education as the facilitator to assist School District No. 38 (Richmond) and the City of Richmond in reaching an agreement with respect to the eligible school site requirements for School District No. 38 (Richmond). Specifically, the City of Richmond did not accept the revised eligible school sites proposal, and instead requested the School District to undertake the following:

- Provide a detailed explanation justifying the areas for the two proposed eligible school sites; and
- Consult with the Urban Development Institute and the Greater Vancouver Home Builders Association.

I am pleased to report that School District No. 38 (Richmond) and the City of Richmond have reached agreement on these two outstanding issues and several related administrative and procedural issues that arose through the facilitation process. The question of School Site Acquisition Charges (SSACs) for School District No. 38 (Richmond) focused primarily on the calculation of eligible development units, annual changes in the number of eligible development units and their communication to the affected stakeholders. The need to complete land acquisition for MacNeill Secondary School and to secure an elementary school site in the Dover area was never in dispute.

Two facilitation meetings were held on May 27, 2004 and July 28, 2004. In addition several meetings with each party were also held. The results of the discussions are as follows:

1. Public Consultation with Development Industry

The City of Richmond and School District No. 38 (Richmond) propose to discuss the subject of school site acquisition charges at the next available Liaison Meeting of the Urban Development Institute, which is likely to be held in late summer or early fall. A similar liaison process with the Greater Vancouver Homebuilders Association is also proposed.

Both parties agree that such a forum will enable a thorough discussion and input to take place concerning the various related issues. These include an overview of the School District's approach to managing school site acquisition needs, a detailed explanation of how eligible development units and SSACs are determined, alternate population projection methodologies¹ (cyclical vs. straight line), and legislative limitations related to disposition of surplus school sites². It should be noted that the two different population growth approaches to determine eligible development units will not affect the total amount to be collected by SSACs.³

It should also be noted that School District No. 38 (Richmond) has taken a very conservative approach toward determining eligible school site requirements. Most future growth, including the accommodation of students from schools that are deemed surplus, is proposed to take place by expanding facilities on existing school sites. This approach will not generate SSACs. Only two schools have ever been included in the calculation of SSACs since the current legislation was enacted in 2000.

¹ The formula used by the City of Richmond is based on housing units, and therefore tends to replicate the business cycle. School District No. 38 (Richmond) prefers a more stable rate structure (straight line averaging) that would lead to the same revenue generation in the long term, but without the annual fluctuations of the current approach. The City does not object in principle to the straight line approach but believes it warrants discussion by the development industry.

² The development industry asserts that school site acquisition charges should be the net cost of new sites minus the cost of surplus sites that are sold. However, the existing legislation (i.e. *Division 10.1 of the Local Government Act*) makes no provision for deducting the value of surplus school sites from the cost of new school sites.

³ One change will occur regardless of which approach is used. For the past four years, the growth forecast calculated by the City of Richmond and used by School District No. 38 (Richmond) has been based on 11 years. Other things being equal, a change to 10 years as required by the Ministry of Education will result in a reduction of approximately 9.1% in the number of eligible dwelling units.

2. Clarification of Site Area for MacNeill Secondary School

Clarification was required on why the required site area for the MacNeill Secondary school site dropped from 2.12 ha in 2000 to 1.37 ha in 2001, and again to 0.75 ha in 2002, before rising back to the original 2.12 ha area in 2003.

Reductions from 2000 to 2002 reflected the remaining balance of the site still to be acquired and considered eligible each year by School District No. 38 (Richmond), as additional portions of the MacNeill Secondary School site were purchased. However, the Ministry of Education has subsequently clarified that, independent of the on-going acquisitions, the site area identified for the calculation of the SSACs should remain as that area identified for acquisition at the time when Bill 35 came into effect in January 2000. As a result, the 2.12 ha area for MacNeill Secondary will remain unchanged until all SSACs for that site have been collected. This will not affect the amount to be collected through SSACs.

3. Justification for an Elementary School Site in the Dover Area

School District No. 38 (Richmond) will proceed with planning for an elementary school site, including the use of adjacent City lands for playing fields based on the Joint Use Agreement or, alternatively, the acquisition of an alternate site in the Dover area. Based on the former as the preferred option, the Dover elementary site will be reduced to 2.0 hectares (5.0 acres) for SSAC purposes in 2005.

Currently, School District No. 38 (Richmond) owns three properties on the east third of this area while the City of Richmond owns the remaining two thirds of the site. School District No. 38 (Richmond) can accommodate all required buildings for an elementary school site within its existing ownership but does not have a large enough site area for needed playground space to meet the Ministry of Education's Area Standards. School District No. 38 (Richmond) has indicated that the purchase of the site was advanced through a land exchange of a surplus site, with the intent that the School District could purchase a portion of the City lands, and capital funds would be recovered through SSACs. However, the City of Richmond is not prepared to sell a portion of its existing parkland in this area, although there is no objection to the use of the requisite land for elementary school playground space under the Joint Use Agreement.

Both parties are in agreement that:

- Due to the time required to reach an agreement, and need for consultation with the development industry, there is no benefit to pursuing SSACs for 2004, as the current SSACs remains in force;
- The agreement reached will form the basis for the future 2005 SSAC discussions;
- The two sites identified (new elementary school site in the Dover area and completion of land acquisition for the MacNeill Secondary School) are appropriate for inclusion in the 2005 Capital Plan;
- Policies adopted by both parties in 1991 for the provision of Joint Use Elementary and Secondary school and Park sites remain valid and relevant; and
- In principle, the use of School Site Acquisition Charges is appropriate to assist in providing for and defraying the capital costs of school sites.
- All SSACs collected by the City of Richmond will be remitted to School District No. 38 (Richmond) not less than quarterly. A protocol under the existing Joint Use Agreement will be prepared to address administrative matters.

It is noted that while the results of this facilitation process are endorsed by both parties at the administrative level, approval by the Board of School District No. 38 (Richmond) and the Council of the City of Richmond may be required.

In conclusion, I would like to thank the Ministry of Education for the opportunity of undertaking this facilitation assignment and wish to compliment the staff of School District No. 38 (Richmond) and the City of Richmond for working toward a co-operative solution in the interest of both parties.

Sincerely,



Graham Farstad, MCIP

cc. Ken Morris, Secretary-Treasurer, School District No. 38 (Richmond)
Raul Allueva, Director of Development, City of Richmond



MEMORANDUM

To: **District Management Committee**

From: **K.L. Morris.**
Secretary Treasurer

Date: **August 30, 2004**

Subject: **Facilitator's Report on the Dispute**
regarding the School Site Acquisition Charge

Introduction

The Board approved the 2004/05 update to the Eligible School Sites Proposal, which revises the School Site Acquisition Charge, at its October 6, 2003 public meeting. The Proposal was then submitted to the Ministry of Education for approval, along with the 2004/05 Five-year Capital Plan. The Proposal was also forwarded to the City of Richmond on October 16, 2003.

The Proposal was considered at the December 2, 2003 meeting of the City's Planning Committee, which moved a referral motion to Council recommending that the City not accept the Proposal. At its December 8, 2003 meeting, Council adopted a resolution rejecting the Proposal, and requesting

"That the District:

- a) provide a detailed explanation justifying the areas for the two proposed eligible school sites; and
- b) consult with the Urban Development Institute and the Greater Vancouver Home Builders Association."

Section 937.4 of Bill 35 states that if the City does not accept the Proposal, the Minister of Education must appoint a facilitator to assist the City and the Board to reach an agreement. If agreement cannot be reached, the facilitator must submit a report to the Minister with recommendations for resolution of the dispute. The Board therefore requested that the Minister of Education appoint a facilitator to assist the City and the Board to reach an agreement, and Mr. Graham Farstad of the Arlington Group was subsequently appointed.

Following a number of meetings between the facilitator and Board and City staff, both individually and collectively, agreement has been reached at staff level with regard to the disputed items. A copy of the Facilitator's report is enclosed. The report has been submitted to the Ministry of Education, but notes that the agreement is subject to the approval of the Board of School Trustees.

Discussion of the Report

As noted above, the City in rejecting the Proposal identified the following 2 requests of the School District:

- a) *Provide a detailed explanation justifying the areas for the two proposed eligible school sites.*
MacNeill Secondary - The facilitator confirmed that the area to be included for MacNeill Secondary is the area that was still to be purchased when Bill 35 was adopted in January, 2000.

Dover Crossing Area Elementary - The City considered that the 1.0 Ha (2.65 acre) site already purchased in the Dover Crossing area was sufficient, and they did not support the collection of School Site Acquisition Charges for the acquisition of additional land from either the City or other vendors. School District staff advised that this was contrary to the 1991 agreement between the City and the School District regarding the joint acquisition of school sites. With the announcement of the proposed Olympic Skating Oval, the amount of future housing in the area is reduced, and hence the size of the school. District staff therefore agreed that the area of the school site could be reduced from 2.7 Ha (6.9 acres) to 2.0 Ha (5.0 acres).

- b) *Consult with the Urban Development Institute and the Greater Vancouver Home Builders Association.* District staff believed that in the past City staff had wished to take responsibility for all discussions with the development community. It has now been agreed that the School District will attend liaison meetings that the City holds with the development community in order to discuss the subject of School Site Acquisition Charges.

In addition to the above two items, the facilitator has documented a number of agreements that were reached regarding the future calculation of the School Site Acquisition Charges. Note that it was also agreed that with the impending review of the School Site Acquisition Charges for 2005/06, there is no benefit in pursuing the amendment of the School Site Acquisition Charges for 2004/05.

Recommendation

THAT the Board of School Trustees advise the Minister of Education that it approves the agreements reached between the School District and the City of Richmond, as detailed in the report prepared by the Arlington Group dated August 25, 2004.

School District #38 (Richmond)
7811 Granville Avenue, Richmond, BC V6Y 3E3
Telephone: 668-6000 Fax: 668-6161