City of Richmond

Report to Committee

To General Purposes - Sept 18, 2006

To: General Purposes Committee

Date: September 11, 2006

From: Graham Willis
Manager, Special Projects

File: 12-8060-20-8049

Re: **DCC Review - DCC Program and Development Cost Charges Rates Bylaw No. 8024, Amendment Bylaw No. 8049**

Staff Recommendation

That Development Cost Charges Rates Bylaw No. 8024, Amendment Bylaw No. 8049 be given 1st, 2nd, and 3rd readings.

Graham Willis
Manager, Special Projects
(4175)

Att.

FOR ORIGINATING DEPARTMENT USE ONLY			
ROUTED TO:	**CONCURRENCE**	**CONCURRENCE OF GENERAL MANAGER**	
Engineering	Y ☑ N ☐		
Budgets	Y ☑ N ☐		
Law	Y ☑ N ☐		
Parks Design, Construction & Programs	Y ☑ N ☐		
Development Applications	Y ☑ N ☐		
Policy Planning	Y ☑ N ☐		
Transportation	Y ☑ N ☐		
REVIEWED BY TAG	YES ☑ NO ☐	**REVIEWED BY CAO** (ACTING)	YES ☑ NO ☐

Staff Report

Origin

On April 18, 2006, Committee reviewed a report (attached) by the undersigned recommending that staff obtain public input on the proposed DCC Programs and Rates presented in the report. The public consultation process was to include an open meeting with the general public and a number of review sessions with representatives of the development industry. That consultation process has been completed and the DCC Program and Rates Bylaw (No. 8049) is ready for the approval of Council.

Analysis

The report presented to committee in April provided a summary of the infrastructure (roads, drainage, water, and sewer) and parks (acquisition and development) programs required to service expected new growth, as follows:

Programs	**Amount***
Roads	$369,331,413
Drainage	$169,179,897
Water	$35,014,379
Sanitary Sewer	$98,483,528
Parks Acquisition	$168,618,056
Parks Development	$154,058,929
Total	**$994,686,202**

*amount shown is net of share of DCC programs to be funded by City

The new DCC rates proposed in the report were as follows:

Development Category	Rate basis	Existing DCC	Proposed DCC	% increase
Single family	Per lot	$14,845.41	**$23,432.02**	58%
Townhouse	Per ft^2 of floor area	$9.85*	**$13.15**	34%
Apartment	Per ft^2 of floor area	$7.46*	**$13.65**	83%
Commercial	Per ft^2 of floor area	$3.24	**$9.74**	201%
Light Industry	Per ft^2 of floor area	$3.24	**$7.94**	145%
Major Industry	Per acre gross site area	$68,844.19	**$86,650.94**	26%

*shown as per ft^2 rate for comparison purposes only; actually charged on the basis of per unit

Public Consultation Results

A public open house was held on May 4, 2006, with all members of the review team in attendance, to allow the general public an opportunity to review the development plan, programs, and proposed DCC rates. The open house was very sparsely attended and the primary concerns of those in attendance were:

- the magnitude of the DCC rate increases
- the apparent need for more regular reviews to mitigate against such large increases.

The review team also held a number of meetings with representatives of the Urban Development Institute, on June 12, July 5, and August 23, to review the DCC programs and rates. In addition, staff has had many conversations regarding the DCC plan with UDI staff members and other representatives of the development industry over the past few months.

Initially, UDI was reluctant to meet with the review team, believing that staff were much further along in the review process than was the case, and that effective dialogue was, therefore, no longer possible (see attached UDI letter dated May 9, 2006). However, when at the June 12 meeting staff advised that Council had given approval only to proceed with public consultation on the DCC review, and that the DCC rates in the draft bylaw presented to Council in April were preliminary, UDI members were encouraged that meaningful discussions could ensue.

At the conclusion of the June 12 meeting, UDI was asked to provide a formal written response to the proposed DCC Program and Rates, and responded on June 22 (see attached letter). The primary concerns therein expressed included the following:

- the increases in DCC Rates are substantial
- park development costs are abnormally high
- virtually all of the DCC program costs are allocated to new growth, although some of projects in the DCC program benefit existing development as well as new growth; some of the DCC Program costs should be allocated to existing development.
- the impact of the large DCC increases should be mitigated for 'in-stream' applications through 'grand-fathering' or incremental implementation
- UDI has received insufficient notice of the DCC increases, and therefore the new DCC rates should be effective no earlier than January 1, 2007 to allow the development industry to adjust plans and costing structures.

At the July 5 meeting, two additional concerns were expressed by UDI:

- the proposed City-wide DCC and the West Cambie DCC included some of the same projects, i.e. 'double-dipping'
- the DCC program include projects to 'catch up' on existing infrastructure problems, rather than providing for new growth only.

Staff Response

The meetings with UDI helped staff gain a better understanding of development industry's concerns regarding DCC Rates and, to the extent appropriate, staff have incorporated these concerns in their subsequent review of the DCC Programs and Rates. The following summarizes the staff consensus in respect of the concerns expressed by the UDI and the general public and previously communicated to UDI:

City-wide DCC and West Cambie DCC 'double-dipping'. The local infrastructure and parkland required to provide servicing within West Cambie and included in the Alexandra Local Area DCC Bylaw No. 8060 are separate and distinct from those works comprising the City-wide DCC program. In addition, the development of West Cambie requires the construction of significant off-site servicing, which is to be funded by the City-wide DCC Bylaw, at no extra cost to developers. The issue of 'double dipping' was also expressed by the Inspector of Municipalities in his review of Bylaw No. 8060. Staff met with the Inspector on July 10 to address his concerns; the staff position that there was no 'double dipping' was substantiated and the Bylaw was approved by the Inspector. DCC Bylaw No. 8060 was adopted by Council on July 24. *No action required.*

Proposed DCC Program includes works necessary to address current infrastructure deficiencies, i.e. the 'catch up' concern. Staff have reviewed the DCC Program once again and confirmed that only works required for new growth are included. The city has other large capital programs for addressing existing deficiencies, details of which were shared with UDI at the meeting of August 23rd. *No action required.*

Parks Development costs. The parkland acquisition and development programs to be funded by DCCs were $168,618,056 and $154,058,929, respectively, a ratio of development to acquisition costs of about 91.4%. This ratio is, admittedly, very high. However, ratios of 10% to 20%, as cited in the Urban Systems report, have not been the experience with Richmond DCC bylaws for many years. For example, the current DCC Rates bylaw (adopted 2002) provides for $203,117,661 in acquisitions and $75,268,423 in development costs, a ratio of 37.1%.

Park development costs in the new DCC Program are based on the costs of park construction experienced during the past two years, costs that have risen dramatically. The *Local Government Act* specifies those works that may be funded by parks development DCCs. A significant part of the increase in parks development costs is, as with the infrastructure programs, due to construction cost escalation. In addition, a large part of the program has been planned for the City Centre, where park development is much more intense, and costly (up to $1million/acre).

In further reviewing the parks development program, an amount of $30 million had been provided for parks construction on the Garden City lands, even though the developable acreage on the Garden City lands had not been included in the new DCC development plan. The $30 million has been removed from the DCC parks development program.

Even with the reduction of the Garden City lands, the ratio of development to acquisition costs is still in excess of 70%. Even so, staff are confident that the program satisfies the legal requirements of the *Local Government Act* and can be amply justified to the Inspector of Municipalities in terms of Richmond's future parks needs and current cost experience. *Garden City parks development costs removed from program; no other action recommended.*

Allocation of DCC Program to existing development. The DCC Program and Rates presented to Committee in April assumed that, with the exception of the drainage program, all infrastructure and land acquisitions were required solely to service new growth, and therefore should be funded by new growth only. The drainage program provides for servicing to new and existing development, and an appropriate allocation has been made to existing development on a project-by-project basis. While it is true that current City residents and businesses will benefit by the works in the new DCC Program (per the June 22 UDI letter), it is also true that new growth will benefit from existing infrastructure and parkland.

Nevertheless, the *DCC Best Practices Guide* requires that an attempt be made to determine a reasonable allocation of the program costs to existing development. In the current DCC Bylaw, estimates of the benefit accruing to existing development were estimated at 4% to 5%. Staff agree that some of the program costs should be allocated to existing development, and recommend that 5% of each program, with the exception of drainage, be so allocated. Removing the Garden City lands and allocating 5% of the DCC Program costs, as above, would reduce the program to be funded by DCCs to:

Programs	Amount*
Roads	$351,270,010
Drainage	$169,179,897
Water	$33,263,660
Sanitary Sewer	$93,559,352
Parks Acquisition	$160,187,153
Parks Development	$118,140,983
Total	**$925,601,055**

*amount shown is net of share of DCC programs to be funded by City

DCC program costs allocated to existing development must be funded by City sources. The 5% allocation recommended above will require City funding of about $40 million, or approximately $2 million annually over the expected term of the DCC Program. *Recommended that 5% of the DCC Program , excluding drainage, be allocated to existing development.*

Substantial increases in DCC rates. As UDI states in its June 22 letter, the proposed DCC rate increases are substantial. Even with the removal of the Garden City lands and the 5% allocation of benefit discussed above (which reduce the DCC rates from 3.3% for major industry to 9.4% for apartments from the DCC rates presented in April) the rate increases are still very significant, as follows:

Development Category	Rate basis	Existing DCC	Proposed DCC	% increase	% change from April
Single family	Per lot	$14,845.41	**$21,456.86**	45%	-13%
Townhouse	Per ft^2 of floor area	$9.85*	**$11.94**	21%	-13%
Apartment	Per ft^2 of floor area	$7.46*	**$12.37**	66%	-17%
Commercial	Per ft^2 of floor area	$3.24	**$9.20**	184%	-17%
Light Industry	Per ft^2 of floor area	$3.24	**$7.49**	131%	-14%
Major Industry	Per acre gross site area	$68,844.19	**$83,811.92**	22%	-4%

*shown as per ft^2 rate for comparison purposes only; actually charged on the basis of per unit

While significantly higher than current rates, Richmond's proposed DCC rates would not be the highest in the region (see attached 'Comparison of Development Cost Charges'). Richmond would be 2nd in the region behind Surrey. Note also that several municipalities are due for a DCC review and will also be faced with funding their programs at greatly increased costs.

Of particular concern are the increases in residential, commercial, and light industry rates, and that the housing market, especially, would be adversely affected. In relation to average housing prices, however, the percentage of proposed DCCs to be paid as a proportion of housing prices will decline, as the following table illustrates:

Dwelling type	Feb 2003 price	Feb 2003 DCC	pct	August 2006 price	Sept. 2006 prop. DCC	Pct
Detached	$394,900*	$14,233	**3.6**	$639,859*	$21,457	**3.4**
Apartment	$143,565*	$6,799	**4.7**	$275,213*	$11,746	**4.3**

*source - Real Estate Board of Greater Vancouver

In a 2002 report for the City of Vancouver, Coriolis Consulting Ltd. concluded, in part, that small development levies (under about 10% of land value) "generally do not have significant overall impacts on the distribution of residential development" and that "land values should adjust, thereby neutralizing any distributional effect." Furthermore, Coriolis concluded that "transportation infrastructure, land use policy, land availability, and price are far greater influences on housing distribution than development levies."

For commercial and light industry rates, the primary reason for the large increases in DCC rates is the different method of allocating the burden of various programs to the development categories from that which had been used before in Richmond, as discussed in the report presented to Committee in April. Previously, the burden assessed to commercial and light industry development was seriously underestimated. The new allocation methodology more accurately assesses the burden that each development category creates for each type of program, and is recommended for use in the provincial *Development Cost Charges Best Practices Guide. No further action recommended.*

'Grandfathering' of in stream applications. UDI has asked that in-stream applications be subject to current DCCs until those applications are approved. Section 943 of the *Local Government Act* provides in-stream protection of one year from the date of bylaw adoption, from the proposed DCC rates for **subdivision applications**, provided that the application is complete and that subdivision application fees have been paid. However, there is no authority to provide similar protection for building permit or other applications.

Other municipalities have attempted to allow a 'grandfathering' period for in stream building permit applications. However, City legal advice cautions against any such practice. In addition, the offending clauses in DCC bylaws have been successfully challenged in court, and the restriction to allowing protection only for subdivisions has been upheld. Accordingly, staff believe that attempting to allow protection for applications other than for subdivisions should not be pursued. *No action recommended. However, delayed implementation will provide the same end result to the development industry.*

Incremental or delayed implementation. UDI has requested that the new DCC rates be implemented in phases over four years, to allow the development industry to adjust plans and cost structures. The rate increases proposed are substantial. However, phasing implementation such as requested would be very costly (approximately $500,000 to $600,000 per month) to the City and delay unreasonably the construction of necessary infrastructure and the acquisition and development of needed parkland. Moreover, phasing the implementation would result in deferred costs and, consequently, a larger burden on the next DCC rate increase.

The proposed DCC rates were not publicly available until the April 18 Committee meeting. If Bylaw No. 8049 receives three readings in September, it should be approved by the Inspector by November 2006, and probably not be adopted before December, about six or seven months after the magnitude of the proposed DCC rate increases became public. Staff believe that, given the magnitude of the proposed DCC increases, at least one year is appropriate notice to allow the development industry to make the necessary adjustments. Appropriate notice can be achieved by adopting the bylaw as planned, and establishing an effective date for implementing the new rates as July 1, 2007. Accordingly, all applications that have a complete building permit submission prior to July 1, 2007 will be subject to current DCC rates. This effective date is consistent with discussions with UDI on bylaw implementation. *Bylaw No. 8049 effective date of July 1, 2007 recommended.*

Frequency of DCC program and rates review. The *Development Cost Charges Best Practices Guide* recommends that DCC reviews be completed at least every five years. More frequent reviews, under normal circumstances, should mitigate against cities having to raise rates sharply. The last Richmond review was completed in late 2002 and implemented in early 2003, and a CPI increase was applied in early 2006. Nevertheless, the City's DCC rate bylaws could not keep pace with the extraordinary increases in construction costs and land prices during the past two years.

Given that construction costs and land values have been volatile over the past twenty years or so, it appears prudent to schedule DCC reviews more often than the *DCC Best Practices Guide* recommendation. Accordingly, staff would intend to undertake another DCC review to have new rates in place every three years. *Action as discussed.*

Next Steps

Upon Committee agreement with the following recommendations, Bylaw No. 8049 should be forwarded to Council for 1st, 2nd, and 3rd readings, and then passed to the Inspector of Municipalities for review. When the Inspector has given approval, the bylaw can be given 4th and final reading, and be adopted.

Financial Impact

At current pace of development, the new rates in DCC Bylaw No. 8049 are expected to generate an additional $6.0 million to $7.0 million per year in DCC revenues. Delaying the effective date of the bylaw to July 1, 2007 from the adoption date is estimated to cost the City about $3.5 million in potential DCC revenues.

Conclusion

The DCC rates outlined in DCC Bylaw No. 8049 are required to fund the infrastructure and parkland necessary to provide servicing for future growth. An extensive public consultation process has been held with the general public and members of the development industry. Staff have reviewed the concerns expressed during that process, and believe that a number of changes and actions are warranted, as follows:.

- The 5% of the roads, water, sanitary, parkland acquisition, and parkland development DCC programs be allocated to existing development.
- That the effective date of DCC Bylaw No. 8049 be delayed until July 1, 2007.
- All Building Permits with a complete application and ready for approval before July 1, 2007 are subject to the current rates.
- All subdivision applications will receive a one year grace period from the effective date of July 1, 2007.

The above changes have been incorporated into the attached **Development Cost Charges Rates Bylaw No. 8024, Amendment Bylaw No. 8049.**

pr Graham Willis
Manager, Special Projects
(4175)

Municipality	Dwelling Type	UNIT COSTS: Municipal DCCs by Program[1]: Water	Sewer	Arterial Roads	Major Roads	Drainage	Parkland Acquisition and Improvement[2]	DCC Total (per unit or area)	Units	GVRD/Regional DCC[3] (per unit or area)	Units
Richmond[8] (February, 2006) Bylaw #8024	Single Family	$ 102.85	$ 252.38	$ -	$ 3,972.52	$ 584.90	$ 9,932.76	$ 14,845.41	per lot	$ 1,731.00	per unit
	Townhouse	$ 93.54	$ 229.54	$ -	$ 3,613.11	$ 324.45	$ 9,034.07	$ 13,294.71	per unit	$ 1,515.00	per unit
	Apartment	$ 50.12	$ 122.98	$ -	$ 1,935.82	$ 142.14	$ 4,840.24	$ 7,091.30	per unit	$ 1,082.00	per unit
	Commercial	$ 0.06	$ 0.15	$ -	$ 2.32		$ 0.59	$ 3.12	per ft^2	$ 8.73	per m^2 BA
	Industrial	$ 0.06	$ 0.15	$ -	$ 2.32	$ -	$ 0.59	$ 3.12	per ft^2	$ 8.73	per m^2 BA
	Commercial (drainage)	n/a	n/a	n/a	n/a	$ 5,112.05	n/a	$ 5,112.05	per acre	n/a	n/a
	Major Industrial	$ 1,464.14	$ 3,592.84	n/a	$ 56,554.08	$ 5,112.05	$ 2,121.08	$ 68,844.19	per acre	n/a	n/a
Richmond (Proposed August 23, 2006)	Single Family	$ 768.18	$ 2,315.28		$ 4,682.00	$ 4,459.81	$ 9,231.59	$ 21,456.86	per lot	$ 1,731.00	per unit
	Townhouse	$ 0.49	$ 1.46		$ 2.24	$ 1.92	$ 5.83	$ 11.94	per ft^2	$ 1,515.00	per unit
	Apartment	$ 0.50	$ 1.51		$ 3.00	$ 1.36	$ 6.00	$ 12.37	per ft^2	$ 1,082.00	per unit
	Commercial	$ 0.19	$ 0.57		$ 5.97	$ 1.33	$ 1.14	$ 9.20	per ft^2	$ 8.73	per m^2 BA
	Light Industrial	$ 0.19	$ 0.57		$ 4.26	$ 1.33	$ 1.14	$ 7.49	per ft^2	$ 8.73	per m^2 BA
	Major Industrial	$ 4,114.56	$ 12,401.22		$ 22,291.53	$ 40,609.35	$ 4,395.26	$ 83,811.92	per acre	n/a	n/a
Burnaby[9] (April, 1979)	Single Family	$ -	$ -	$ -	$ -	$ -	$ 6,521.00	$ 6,521.00	per lot	$ 1,731.00	per unit
	Townhouse	$ -	$ -	$ -	$ -	$ -	$ 38.97	$ 38.97	per m^2 BA	$ 1,515.00	per unit
	Apartment	$ -	$ -	$ -	$ -	$ -	$ 38.21	$ 38.21	per m^2 BA	$ 1,082.00	per unit
	Commercial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.73	per m^2 BA
	Industrial	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.73	per m^2 BA
New Westminster[10] (January, 2006)	Single Family	$ 1.51	$ -	$ -	$ 6.88	$ 6.46	$ 5.27	$ 20.12	per m^2 BA	$ 1,731.00	per unit
	Townhouse	$ 3.01	$ -	$ -	$ 15.61	$ 13.35	$ 10.66	$ 42.63	per m^2 BA	$ 1,515.00	per unit
	Apartment	$ 2.80	$ -	$ -	$ 15.18	$ 9.36	$ 9.90	$ 37.24	per m^2 BA	$ 1,082.00	per unit
	Commercial	$ 1.83	$ -	$ -	$ 87.62	$ 9.58	$ -	$ 99.03	per m^2 BA	$ 8.73	per m^2 BA
	Industrial	$ 6,497.36	$ -	$ -	$ 57,236.41	$ 67,406.44	$ -	$ 131,140.21	per hectare	$ 8.73	per m^2 BA
Surrey[11] (Adopted June 26, 2006)	Single Family	$ 1,871.00	$ 1,979.00	$ 8,595.00	$ 2,120.00	$ 3,401.00	$ 5,238.00	$ 23,205.00	per lot	$ 1,731.00	per unit
	Townhouse	$ 11.41	$ 12.06	$ 39.51	$ 9.69	$ 14.21	$ 58.78	$ 145.66	per m^2 DU	$ 1,515.00	per unit
	Apartment	$ 12.16	$ 12.92	$ 50.92	$ 12.60	$ 9.15	$ 62.98	$ 160.73	per m^2 DU	$ 1,082.00	per unit
	Commercial	$ 6.10	$ 6.46	$ 39.79	$ 9.82	$ 23.80	$ -	$ 85.97	per m^2 BA	$ 8.73	per m^2 BA
	Industrial	$ 12,607.04	$ 13,338.45	$ 46,939.12	$ 11,579.11	$ 71,436.61	$ -	$ 155,900.33	per hectare	$ 8.73	per m^2 BA
Delta (January, 2001)	Single Family	$ 557.00	$ 648.00	$ -	$ 5,388.00	$ 1,209.00	$ 3,427.00	$ 11,229.00	per unit	$ 1,731.00	per unit
	Townhouse	$ 441.00	$ 513.00	$ -	$ 3,489.00	$ 507.00	$ 2,677.00	$ 7,627.00	per unit	$ 1,515.00	per unit
	Apartment	$ 302.00	$ 351.00	$ -	$ 3,268.00	$ 266.00	$ 1,821.00	$ 6,008.00	per unit	$ 1,082.00	per unit
	Commercial	$ 2.55	$ 2.97	$ -	$ 17.66	$ 3.63	$ -	$ 26.81	per m^2 BA	$ 8.73	per m^2 BA
	Industrial	$ 7,459.00	$ 8,680.00	$ -	$ 68,536.00	$ 14,109.00	$ -	$ 98,784.00	per hectare	$ 8.73	per m^2 BA
Coquitlam (April, 2004)	Single Family	$ -	$ -	$ -	$ 7,922.00	$ -	$ 5,576.00	$ 13,498.00	per unit	$ 1,731.00	per unit
	Townhouse	$ -	$ -	$ -	$ 4,489.00	$ -	$ 4,904.00	$ 9,393.00	per unit	$ 1,515.00	per unit

	Apartment	$ -	$ -	$ -	$ 2,443.00	$ -	$ 3,211.00	$ 5,654.00	per unit	$ 1,082.00	per unit
	Commercial	$ -	$ -	$ -	$ 25.00	$ -	$ -	$ 25.00	per m^2 BA	$ 8.73	per m^2 BA
	Industrial	$ -	$ -	$ -	$ 25.00	$ -	$ -	$ 25.00	per m^2 BA	$ 8.73	per m^2 BA
Langley (Township)[12] (May, 2005)	Single Family	$ 1,712.00	$ 891.00	$ -	$ 7,026.00	$ 2,935.00	$ 8,327.00	$ 20,891.00	per unit	$ 1,731.00	per unit
	Townhouse	$ 1,453.00	$ 756.00	$ -	$ 6,851.00	$ 1,182.00	$ 7,056.00	$ 17,298.00	per unit	$ 1,515.00	per unit
	Apartment	$ 1,141.00	$ 594.00	$ -	$ 5,972.00	$ 811.00	$ 5,551.00	$ 14,069.00	per unit	$ 1,082.00	per unit
	Commercial	$ 5.91	$ 3.08	$ -	$ 27.17		$ -	$ 36.16	per m^2 BA	$ 8.73	per m^2 BA
	Industrial	$ 2.33	$ 1.21	$ -	$ 5.45	6.8	$ -	$ 15.79	per m^2 lot area	$ 8.73	per m^2 BA
	Commercial (drainage)	n/a	n/a	n/a	n/a	$ 7.20	n/a	$ 7.20	per m^2 lot area	n/a	n/a
Abbotsford[14] (Sept., 2004)	Single Family	$ 688.00	$ 788.00	$ -	$ 6,741.00	$ 533.00	$ 8,154.00	$ 16,904.00	per unit	$ 4,692.00	per unit
	Townhouse	$ 521.00	$ 597.00	$ -	$ 5,540.00	$ 333.00	$ 6,178.00	$ 13,169.00	per unit	$ 3,555.00	per unit
	Apartment	$ 375.00	$ 430.00	$ -	$ 4,138.00	$ 140.00	$ 4,448.00	$ 9,531.00	per unit	$ 2,559.00	per unit
	Commercial	$ 1.77	$ 2.60	$ -	$ 53.46		$ -	$ 57.83	per m^2 BA	$ 13.02	per m^2 BA
	Industrial	$ 6,046.00	$ 8,835.00	$ -	$ 68,842.00	$ 7,991.00	$ -	$ 91,714.00	per hectare	$ 43,413.00	per hectare
	Commercial (drainage)	n/a	n/a	n/a	n/a	$ 7,991.00	n/a	$ 7,991.00	per hectare	n/a	n/a
Maple Ridge[15] August,2000)	Single Family	$ 820.00	$ 283.00	$ -	$ 7,159.00	$ 715.00	$ 3,943.00	$ 12,920.00	per unit	$ 1,731.00	per unit
	Townhouse	$ 820.00	$ 283.00	$ -	$ 7,159.00	$ 715.00	$ 3,943.00	$ 12,920.00	per unit	$ 1,515.00	per unit
	Apartment	$ 410.00	$ 142.00	$ -	$ 3,222.00	$ 530.00	$ 2,563.00	$ 6,867.00	per unit	$ 1,082.00	per unit
	Commercial	$ 18,032.00	$ 6,227.00	$ -	$ 86,646.00	$ 11,680.00	$ -	$ 122,585.00	per hectare	$ 8.73	per m^2 BA
	Industrial	$ 18,032.00	$ 6,227.00	$ -	$ 7,867.00	$ 12,439.00	$ -	$ 44,565.00	per hectare	$ 8.73	per m^2 BA

Notes:
1. Derived from municipal bylaws.
2. Parkland DCC calculations assume no parkland dedication.
3. Derived from GVRD DCC bylaw. Assumes all development falls within the Fraser sewerage area.
8. Richmond DCCs based on one storey commercial and light industrial development on Lulu Island, single family density of 8 units per acre, townhouse density of 16 units per acre, and apartment density of 49 plus units per acre.
9. Burnaby DCCs for apartments based on the RM4-RM5 Type development (multiple high density residential). Parkland acquisition DCCs are levied throughout the municipality. Burnaby does not levy DCCs for water, sewer, or drainage. The only other DCC that Burnaby levies is a charge for pedestrian overpasses, and since this DCC is applicable to only small areas of the City, it is not included in this spreadsheet.
10. New Westminster DCCs are levied for development in the Queensborough area. Commercial development is assumed to be retail development.
11. Surrey DCCs based on RF Zone, RM-10 zone, RM-45 zone, ground floor commercial zone, and general industrial zone. Dwelling unit floor area is calculated as 80% of total floor area.
12. Langely DCCs based on Residential 1, 2 and 3 categories and Commercial 2 designation.
14. Single family based on "Low Density" (16 or less upha) residential development; townhouse based on "Medium Density" (17 to 45 upha) residential development; and apartment based on "High Density" (more than 45 upha). Abbotsford also levies a separate DCC for the joint water supply and J.A.M.E.S treatment plant.
15. Maple Ridge DCCs based on those levied within the Urban Area. Assumes DCCs are collected at building permit.
16. Surrey Campbell Hgts. industrial rate is $287,360 per ha., Highway #99 industrial rate is $179,268.58.

City of Richmond

Report to Committee

To:	General Purposes Committee	Date:	March 3, 2006
From:	Graham Willis Manager, Special Projects	File:	
Re:	**Proposed DCC Program and Rates bylaw**		

Staff Recommendation

That staff be directed to:

1) obtain public input regarding the draft 2006 Development Cost Charge (DCC) Program and Bylaw as per the report from the Manager, Special Projects dated March 3, 2006, and

2) report back to the General Purposes Committee in early May, 2006

Graham Willis
Manager, Special Projects
(4175)

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Budgets	Y ☑ N ☐	
Engineering	Y ☑ N ☐	
Law	Y ☑ N ☐	
Parks Design, Construction & Programs	Y ☑ N ☐	
Development Applications	Y ☑ N ☐	
Transportation	Y ☑ N	
Business Development	Y ☑ N	
REVIEWED BY TAG	YES ☑	NO ☐

cc doc 1789644

Sept 18/06

See file (Paper) copy for Page 9 or scanned report on website

page 9 is a different doc # which was trashed by the user

Staff Report

Origin

Introduction

Section 933 of the *Local Government Act* authorizes municipalities to levy development cost charges (DCCs) to recover the costs of:

- **infrastructure servicing**, i.e. roads, drainage, water, and sanitary sewer systems, and
- **parkland acquisition and development**

related directly or indirectly to the developments to be assessed. DCCs must only be used for new growth in the City, as opposed to maintaining existing services. The City of Richmond has levied DCCs since 1979, when they were introduced by provincial government legislation.

Development cost charge bylaws must be reviewed periodically. DCCs must be consistent with the long-term **development plan** expressed in the current *Official Community Plan*, which was last updated in 1999. In addition, the *Development Cost Charges Best Practices Guide*, issued by the Province as a comprehensive guide for preparing development cost charge bylaws, recommends that bylaws be reviewed at least once every five years. The last major review of the DCC programs and rates was completed in 2002. The DCC bylaw has been updated twice for inflation since that review, and the current DCC rates bylaw (8024) was adopted earlier in 2006.

Staff have recently completed a comprehensive review of the development cost charge bylaw, with the assistance of **Urban Systems Limited** (see attached report), and have recommended a new set of DCC rates which reflect the development plan expressed in the *Official Community Plan*, and the infrastructure and parkland necessary to adequately service the expected new development. The DCC Program outlines all services necessary to support new growth.

Bylaw Adoption Process

The following describes the process for adopting a new DCC Bylaw:

1. Council authorizes a DCC Bylaw review
2. Staff complete the review
3. A draft DCC Program and Bylaw are prepared for review by **General Purposes Committee**
4. General Purposes Committee authorizes public review
5. Staff review public input
6. Staff revise draft as appropriate
7. The final draft DCC Program and Bylaw are reviewed by **Council**
8. Council gives 1st, 2nd, and 3rd readings to the Bylaw
9. Bylaw review and approval by provincial **Inspector of Municipalities**
10. Council adopts (gives 4th reading) to DCC Program and Bylaw
11. Implementation

A draft DCC Program and Bylaw have been prepared, ready for the review of General Purposes Committee in accordance with step (3) above.

Analysis

The two main inputs necessary to formulate development cost charge rates are:

(1) the **development plan** as expressed in the *Official Community Plan*, and
(2) the **infrastructure servicing** and **parkland acquisition and development** programs required to adequately service the new development expected

The development plan used to formulate development cost charges in Richmond has a fifteen-year horizon and is generally equivalent to be a maximum ***build-out*** program. Accordingly, the proposed development cost charges are based on projected development and servicing for the 2006 to 2021 time period.

Development Plan

The development plan used for the proposed DCC bylaw projects development summarized as follows:

Land Use	Amount
Residential	30,992 units
Commercial	1,127,373 m^2
Light Industry	3,345,726 m^2
Major Industry	428.8 ha

The plan anticipates:

1) almost 76,000 new people for Richmond, in predominantly multi-family housing mainly in the City Centre
2) a growth of approximately almost 4.5m square metres of commercial and light industry floor space, primarily in the City Centre and north Richmond
3) considerable new major (or heavy) industry development concentrated in the Fraser Port lands, and on Mitchell/Twigg Island.

The development plan is quite similar to that used in determining the DCC rates in 2002.

Infrastructure Servicing

Development cost charges may be levied by local governments to recover the costs of providing roads, drainage, water, and sanitary sewer infrastructure systems, and of acquiring and developing parkland, related directly or indirectly to the developments to be assessed. The total infrastructure servicing necessary to provide adequately for the expected new development is summarized as follows:

Infrastructure	Amount*
Roads	$369,331,413
Drainage	$169,179,897
Water	$35,014,379
Sanitary Sewer	$98,483,528
Total	$672,009,217

*amount shown is net of share of DCC programs to be funded by City

The infrastructure program is concentrated mainly in the City Centre and the northern areas of west Richmond. The Roads Program, for example, can be summarized geographically in terms of project value as follows:

- City Centre - 39%
- West Richmond - 44%
- East Richmond - 17%

The details of the infrastructure programs are included in the attached appendix titled "2006 Richmond draft DCC calculations."

The infrastructure program total is dramatically increased over the program (approximately $319.5 million) included with the last DCC Rates bylaw in 2002 (see also attached Urban Systems report). There are two main reasons for this increase:

- The increase in the proposed Roads Program is primarily due to significant cost escalations in both construction and land, and the addition of No. 3 Road and North Loop Road corridor street enhancements to support transit oriented developments (TOD) in the City Centre core area that would replace the current voluntary contributions towards TOD.
- The utility infrastructure programs (water, sanitary, and drainage) have also been subject to significant construction and land cost escalation. More importantly, however, in developing the new DCC utility programs, engineering staff have been able to use computer modeling to simulate projected growth in order to estimate the most efficient and cost effective upgrades to the utility systems, in accordance with current levels of service. In the past, the DCC program was estimated based on past practices and empirical information. The computer modeling methodology is the most detailed scientific method that staff have used to develop the utility portion of the DCC program, and has allowed staff to produce more accurate, supportable programs to satisfy the City's needs.

Parkland Acquisition and Development

The requirement for new parkland is driven primarily by population growth. The DCC Parkland Acquisition Program is based on parkland guidelines of 7.66 acres of parkland for every 1,000 resident per planning area city-wide. While these guidelines provide quantitative targets to aim for, qualitative aspects such as the quality, special or unique features, and programmed and non programmed use of the parks must be considered when acquiring land for parks purposes. The total projected requirement for new parkland in 2021 (the final year of the proposed DCC Program) is **485.364** acres. The new program identifies a total of **474.359** acres for acquisition, slightly less than the projected requirement, at a total cost of **$168,618,056** (net of share of DCC program to be funded by the City).

DCCs for parkland development are permitted to provide fencing, landscaping, drainage and irrigation, trails, restrooms, changing rooms, playground and playing field equipment on parkland. The cost of parkland development varies from about $10,000/acre for natural areas to $400,000/acre for community parks, to about $1,000,000/acre for City Centre urban parks and urban waterfront/greenways. The total cost for parkland development in the new program is **$154,058,929** (net of share of DCC program to be funded by the City).

A summary of the parkland acquisition and development programs by neighbourhood plan is included in the attached appendix titled "2006 Richmond draft DCC calculations." The parkland development costs have increased dramatically since the 2002 review. A significant part of that increase is, as with the infrastructure programs, because of construction cost escalation. In addition, however, a large part of the program (about $66 million) is planned for the City Centre, where park development is much more intense, and costly.

Unlike most other municipalities, Richmond has levied DCCs for parkland on commercial and industrial categories of development since development cost charges were introduced. The rationale is that, even though the requirement for new parkland is primarily population-driven and therefore should accrue to residential development, the employees of new commercial and industrial developments do create a new burden on City parkland. That burden is considerably less than that created by new residents, however, and that difference has been reflected in the development charge rates levied on commercial and industrial development.

Benefit Factors and Assist Factor

DCCs may be levied to recover the costs of infrastructure and parkland related directly or indirectly to the developments to be assessed. All of the infrastructure projects and parkland acquisitions and development in the new DCC Program are necessary to service the expected new development. Nevertheless, it is apparent that some benefit from the new work may accrue to existing development, and that different works may benefit existing development differently. In developing DCC rate bylaws, municipalities are expected to recognize the benefit of the DCC programs to existing residents and businesses, and fund that portion from City sources.

The majority of projects in the new DCC program benefit only new growth. However, for drainage, a considerable portion of the program will address existing problems. The portion of that program remedying existing problems has been deducted from the DCC program, and must be funded by City sources.

Section 933(2) of the *Local Government Act* specifies that DCCs are to be used "to assist the local government" to pay for the costs of the infrastructure and parkland programs. Therefore the local government must contribute a portion of the program costs; this is known as the **assist factor.**

The assist factor has traditionally been seen as a measure of the degree to which a municipality wishes to encourage development. However, most local governments have opted for a minimal assist factor (the minimum is 1 percent) in favour of making new development pay its way, inasmuch as whatever is not levied in DCCs must be funded from City sources. As in previous DCC bylaws, the assist factor presupposed in the new rates for all types of servicing is **1 percent.**

Development Cost Charge Rates

Richmond has historically levied different DCC rates in the following areas:

- Lulu Island
- Sea Island
- Mitchell/Twigg Islands

There is little justifiable reason for continuing with separate DCCs for Sea Island and Mitchell/Twigg Islands, since the infrastructure servicing and parkland adjacent to these areas, and throughout the City, benefit development in these areas as well. Accordingly, the new DCC rates proposed are intended for application in all areas of the City.

The new DCC rates proposed are summarized as follows (see also page 3 of attached Urban Systems report):

Development Category	Rate basis	Existing DCC	Proposed DCC	% increase
Single family	Per lot	$14,845.41	**$23,432.02**	58%
Townhouse	Per unit	$13,294.71	**$17,753.51**	34%
Apartment	Per unit	$7,091.30	**$12,962.88**	83%
Commercial	Per ft^2 of floor area	$3.24	**$9.74**	201%
Light Industry	Per ft^2 of floor area	$3.24	**$7.94**	145%
Major Industry	Per acre gross site area	$68,844.19	**$86,650.94**	26%

The total of the combined infrastructure servicing and parkland programs has increased approximately 68 percent. Given that the development plan used for the new program is very similar to that used in the review in 2002, one would expect an increase in the new proposed DCC rates similar to that of the program increase, for all development categories. The increases range from 26 percent to 201 percent, however.

In determining the new DCC rates, Urban Systems used a different method of allocating the burden of various programs to the development categories from that which had been used before in Richmond. Previously, the programs were allocated simply on the basis of the portion of the total developable acreage for each development category, i.e. if 50 percent of the developable acreage was expected to be major industry, then 50 percent of each program was allocated to that category. Urban Systems used an allocation methodology designed to more accurately assess the burden that each development category creates for each type of program; this methodology is commonly used by many municipalities in British Columbia, and is recommended for use in the provincial *Development Cost Charges Best Practices Guide*.

The new allocation methodology has especially affected the rates for commercial and light industry. In reviewing the method for allocating program burden, it is apparent that, in past DCC reviews, staff have been seriously underestimating the burden attributable to commercial and light industry development. Conversely, the burden attributable to major industry has been overestimated.

The attached appendix entitled "Richmond DCC Review – Comparison of Development Costs" provides a comparison of DCCs in the region, as well as a comparison of the aggregate of municipal charges on development. Richmond's current residential DCCs and aggregate development charges are significantly lower than two other large municipalities, and about on par with most of the others. Delta last updated the DCCs in 2001 and is therefore due for a review. Given that all municipalities in the region are subject to the same cost pressures, significant rate increases may reasonably be expected for those jurisdictions planning a review.

Another way of attaching some perspective to DCC rates is in relation to housing prices. According to the Real Estate Board of Greater Vancouver, the benchmark price of a detached single-family dwelling in Richmond in February 2006 was $584,449, and of a apartment $245,065. Three years prior, about when the current DCCs were introduced, the figure for a single-family dwelling was $394,900, and for an apartment $143,565.

Dwelling type	Feb 2003 price	Feb 2003 DCC	pct	Feb 2006 price	Feb 2006 prop. DCC	pct
Detached	$394,900	$14,233	3.6	$584,449	$23,432	4.0
Apartment	$143,565	$6,799	4.7	$245,065	$12,963	5.3

As the table above shows, the percentage of DCCs to housing prices in Richmond will increase only marginally with the adoption of the new DCC rates.

Application of Development Cost Charges

Residential DCCs have historically been levied on a per unit basis, based on density tables. Application of the residential DCCs has always been somewhat tedious and complicated. Most other municipalities have adopted a simpler methodology for applying residential DCCs: single family developments are assessed per lot at the subdivision stage; multi-family are assessed on the basis of square feet built at the building permit stage. The attached Bylaw 8049 provides for levying DCCs using the simpler, more common methodology.

Commercial/Light Industry DCCs have previously been assessed as one development category on the basis of square feet built. The burden allocation methodology discussed above provides for different allocations for commercial development and light industry development, significant enough that commercial and light industry should be separate categories for the purpose of levying DCCs; draft Bylaw No. 8049 provides for separate commercial and light industry development categories.

In the current DCC Bylaw, commercial/light industry development is assessed using a rate gradient that declines with the number of storeys planned for the building. Upon reviewing the data for the expected burden that commercial/light industry development places on municipal infrastructure, there is no justifiable reason for continuing with this practices. The current procedure is not used in any other municipality. Accordingly, Bylaw 8049 provides for a single rate to be levied on all commercial and light industry development, regardless of number of storeys.

Implementation

The proposed new DCC rates represent a significant increase over the current rates. In reviewing development cost charges it is incumbent on municipalities to recognize that current and near-term development industry plans are generally based on known costs. When introducing charges with substantial increases, therefore, municipalities have often taken the approach of allowing a 'grace period' to allow the industry to adapt to the new costs. The City of Surrey, for example, recently adopted a new DCC Rates bylaw with significant increases and allowed a period of grace as follows:

- all complete building permit and subdivision applications in place prior to the bylaw adoption are given a one year grace period from the date of adoption.
- incomplete building permit and subdivision applications and applications received after adoption are NOT given the grace period.

Council may also consider other measures for allowing the development industry to adjust to the new rates, such as delaying the effective date of the bylaw to some future date. However, based on current DCC revenue projections, any delay in implementation is estimated to cost approximately $800,000 per month in lost DCC revenues, with a consequent delay in undertaking necessary works and acquisitions.

Financial Impact

New development cost charge rates are required to provide the funds necessary for anticipated growth, in accordance with the current *Official Community Plan*, and at the levels of service and standards for infrastructure servicing and parkland adopted by Council

Conclusions

Section 933 of the *Local Government Act* authorizes municipalities to levy development cost charges to recover the costs of:

- providing roads, drainage, water, and sanitary sewer infrastructure systems, and

- acquiring and developing parkland,

related directly or indirectly to the developments to be assessed.

Staff have recently completed a thorough review of the Development Cost Charge Bylaw and have recommended a new DCC Bylaw in consideration of:

- the development plan expressed in the *Official Community Plan*, and
- the infrastructure and parkland necessary to adequately service the expected new development.

Staff believe that the development cost charge rates shown in the attached bylaw are required to produce the necessary revenue to fund the infrastructure and parkland expected during the 2006 to 2021 period, at the levels of service and standards adopted by Council

The draft Development Charge Program and Bylaw should now be made available to the public for review.

Graham Willis
Manager, Special Projects
(4175)

NGW:ngw

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May 9, 2006

Mayor Malcolm Brodie and Council
City of Richmond
6911 No. 3 Road
Richmond, B.C., V6Y 2C1

Dear Mayor and Council:

Re: Proposed City-wide Development Cost Charges

We have recently read with concern, the report to the General Purposes Committee entitled *Proposed DCC Program Rates Bylaw*, dated March 3, 2006. The magnitude of the increases has come as quite a surprise to our industry - in excess of 200% for some projects. These are especially onerous when combined with the imposition of other development related charges that have been passed recently by Council and the proposed changes to the funding of GVS&DD Sewer DCCs.

UDI fully understands that we are in a period of increasing costs, but these charges go well beyond inflation. The industry is frustrated for the following reasons:

Park Development Costs - The proposed development costs for the parks program is over 90% of the costs of parkland acquisition when it is noted in the report that they should be between 10% and 20%.

Double-dipping – The City is proposing a $300 million plus DCC funded Parks program at a time when our members are being asked to pay substantial local DCCs for parks.

Attribution of Costs – The city is funding only $75.5 million of the costs of a DCC program that is almost $1 billion. This is not at all reflective of the benefits being provided to current residents of the City.

Housing Affordability – At the same time as the City is developing an affordable housing strategy, Richmond is proceeding with residential DCC increases as high as 83% making affordability for new homebuyers even more unattainable.

UDI and its members would like to have an effective dialogue with the City on this proposal. However, our past experience with the consultative process on financial matters leads us to believe that any further discussions with staff would not be effective. Therefore, we will seek other forms dialogue with Council on this important issue.

Sincerely,

: ORIGINAL SIGNED BY :

Maureen Enser
Executive Director

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June 22, 2006

Joe Erceg
General Manager, Planning and Development
City of Richmond
Richmond City Hall
6911 No. 3 Road
Richmond, British Columbia V6Y 2C1

Dear Mr. Erceg:

Re: Proposed City-wide Richmond DCCs

At our June 12, 2006 meeting with the City of Richmond, UDI was asked to provide feedback on the proposed city-wide DCC rates before the end of June. As industry representatives stated in the meeting, the increases are substantial – for some projects they will be over 200%. In order to mitigate the impact of the DCCs and maintain a healthy investment climate, it is important that the City is able to clearly justify these increases and provide adequate notice and grandfathering. In addition, we feel strongly that when approved, they should be implemented incrementally.

With respect to our comment that increases in DCC amounts are excessive, UDI is specifically concerned that the park development costs are abnormally high. It is noted in the March 22, 2006 Urban Systems Report to the City that park development DCCs in the Province have ranged between 10% and 20% of the park acquisition DCCs. Conversely, the proposed City of Richmond park development DCCs are 90% of the acquisition DCCs. The Institute is apprehensive that these unusually high park development costs will become a precedent, and we urge staff to review and explore ways to reduce them.

Upon review of the City's capital project costing methodology, we are concerned that the park development costs may consist of overhead charges included in the City's capital project costing which may be used to, in effect, subsidize departmental operating budgets. We would be interested in learning more about the magnitude of such overhead charges, and if this is typical in other jurisdictions.

Another concern is that virtually all of the DCC costs are being attributed only to new growth. We believe that current City residents will benefit from the new roads, infrastructure and parks that will be constructed, and therefore should pay for some of the costs. However, it is noted in the Urban Systems report that all but $75 million of the proposed nearly $1 billion program is being funded through DCCs. We would encourage the City to review how costs are attributed between current development and new growth for each of the projects in the DCC program.

It is also important that the City mitigate the impact of DCC increases on developers who are mid-stream in their projects through the use of "grandfathering" or "incremental" implementation. As you are aware, the development process currently takes several years from the time developers acquire property to the time they receive final building and development approvals. As a result, property is frequently purchased far in advance of actual development taking place and when large increases to DCCs are introduced without notice, it is virtually impossible to adjust financial commitments and proformas to accommodate them. Unless land deals are able to be re-negotiated, which is often not possible, some projects may no longer be viable.

To mitigate the impacts of the proposed increases, UDI recommends that the City adopt the following three strategies:

Notice – The industry only received the details of the actual increases less than two months ago. To extend the notice period we recommend that the new rates come into effect no earlier than January, 2007.

Grandfathering – The City should grandfather in-stream development permit, rezoning, building permit and subdivision applications. Given the volume of applications currently under review, proponents of in-stream applications should be given eighteen months to obtain a building permit or subdivision approval under the current DCC rates. As part of the grandfathering program, protection should also be provided to pending projects where the City is currently not accepting applications (e.g. the West Cambie area).

Incremental Implementation – The increases should also be incrementally implemented over four years, so that investors are not suddenly paying double, triple and even quadruple increases in DCCs.

These proposals would add certainty to the process – especially for those developers who have purchased land and have financial commitments in place. We look forward to the opportunity to discuss these issues and options with City staff before the by-law is brought before Council.

Yours truly,

Original signed by:

David Negrin
President

Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8049

WHEREAS Council has adopted Development Cost Charges for the City, and

WHEREAS amendments to the Development Cost Charges are required to finance expected servicing in the City,

The Council of The City of Richmond enacts as follows:

1. Bylaw No. 8024 is amended by deleting Section 1.1.1, and by substituting the following:

   "1.1.1 For the purposes of imposing development cost charges, the City is not divided into areas, except in respect of supplementary development cost charges for development in the Alexandra shown on Schedule A."

2. Bylaw No. 8024 is amended by deleting Section 1.2.2, and by substituting the following:

   "1.2.2 Every person who obtains approval of a subdivision of a parcel or a building permit must pay development cost charges on the following basis:

   (a) for residential development in accordance with Schedule B
   (b) for commercial development in accordance with Schedule C
   (c) for light industrial development in accordance with Schedule D
   (d) for major industrial development in accordance with Schedule E
   (e) for development in the Alexandra area, supplementary development cost charges in accordance with Schedule F."

3. Bylaw No. 8024 is amended by deleting Section 2.2.1, and by substituting the following:

   "2.2.1 In the case of an application for building permit for a combination of both residential development and commercial development, the development cost charges are to be calculated as the sum of:

   (a) for the residential development the applicable rate multiplied by the number of square feet; plus
   (b) for the commercial development the applicable rate multiplied by the number of square feet."

4. Bylaw No. 8024 is amended by adding the following to Section 3.1

DWELLING, ONE-FAMILY	means a detached building used exclusively for residential purpose, containing one dwelling unit only with a maximum of two kitchens.
MULTI-FAMILY DWELLING	means a building containing two or more dwelling units, but not including a townhouse.
TOWNHOUSE	means a building containing two or more dwelling units, where each unit has a separate entrance at the first level.

5. Bylaw No. 8024 is amended by deleting Schedule "A", and substituting Schedule "A" attached hereto and forming part of the bylaw as Schedule "A" to Bylaw No. 8024.
6. Bylaw No. 8024 is amended by deleting Schedule "B" and substituting Schedule "B" attached hereto and forming part of the Bylaw as Schedule "B" to By-law No. 8024.
7. Bylaw No. 8024 is amended by deleting Schedule "C" and substituting Schedule "C" attached hereto and forming part of the Bylaw as Schedule "C" to By-law No. 8024.
8. Bylaw No. 8024 is amended by deleting Schedule "D" and substituting Schedule "D" attached hereto and forming part of the Bylaw as Schedule "D" to By-law No. 8024.
9. Bylaw No. 8024 is amended by deleting Schedule "E" and substituting Schedule "E" attached hereto and forming part of the Bylaw as Schedule "E" to By-law No. 8024.
10. If any part, section, subsection, clause, or subclause of this bylaw is, for any reason, held to be invalid by a decision of a Court of competent jurisdiction, such decision does not affect the validity of the remaining portions of this bylaw.
11. This bylaw comes into force and effect on July 1, 2007.
12. This Bylaw is cited as **"Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8049".**

FIRST READING ____________________

SECOND READING ____________________

THIRD READING ____________________

ADOPTED ____________________

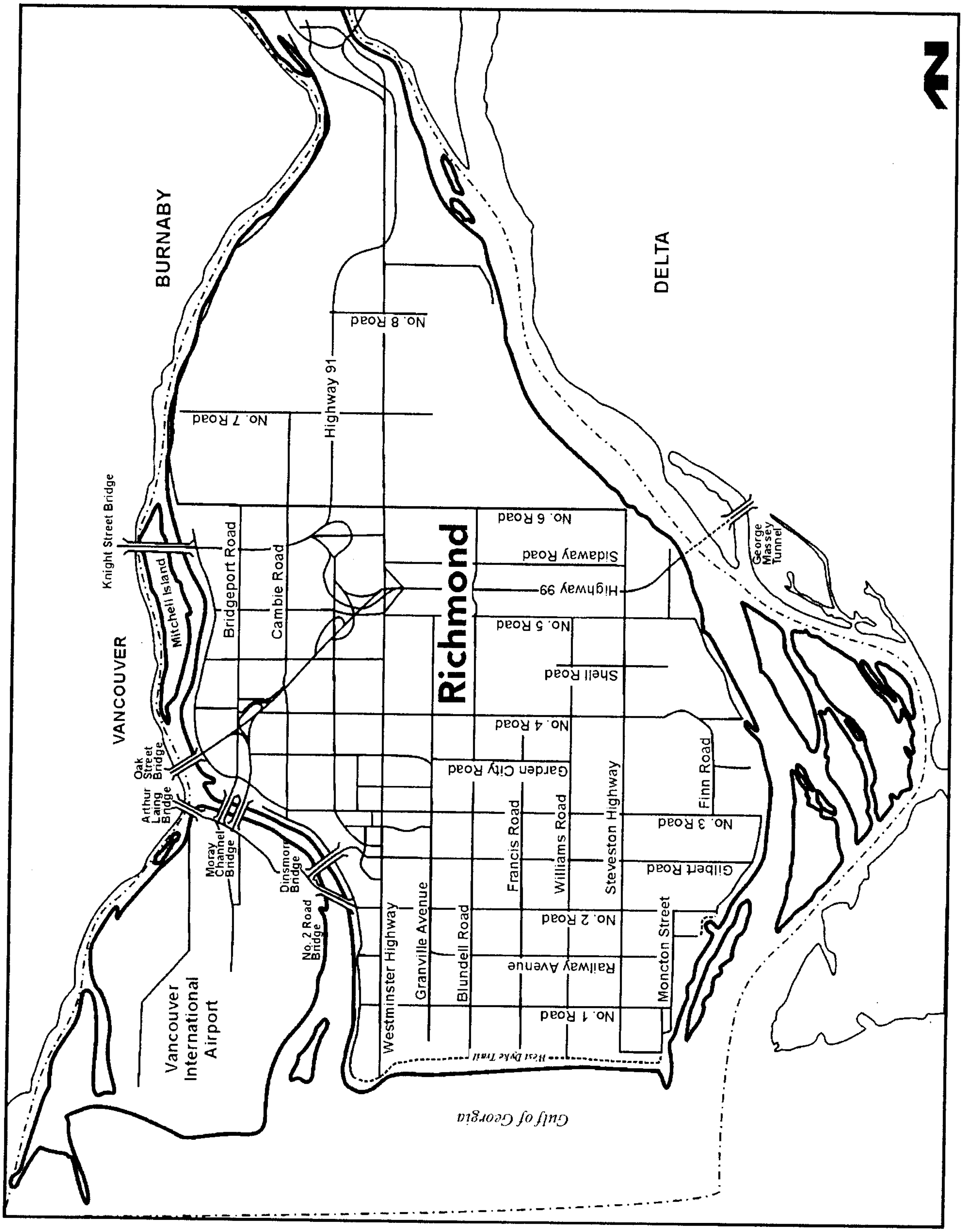
CITY OF RICHMOND
APPROVED for content by originating dept.
APPROVED for legality by Solicitor

____________________ MAYOR

____________________ CORPORATE OFFICER

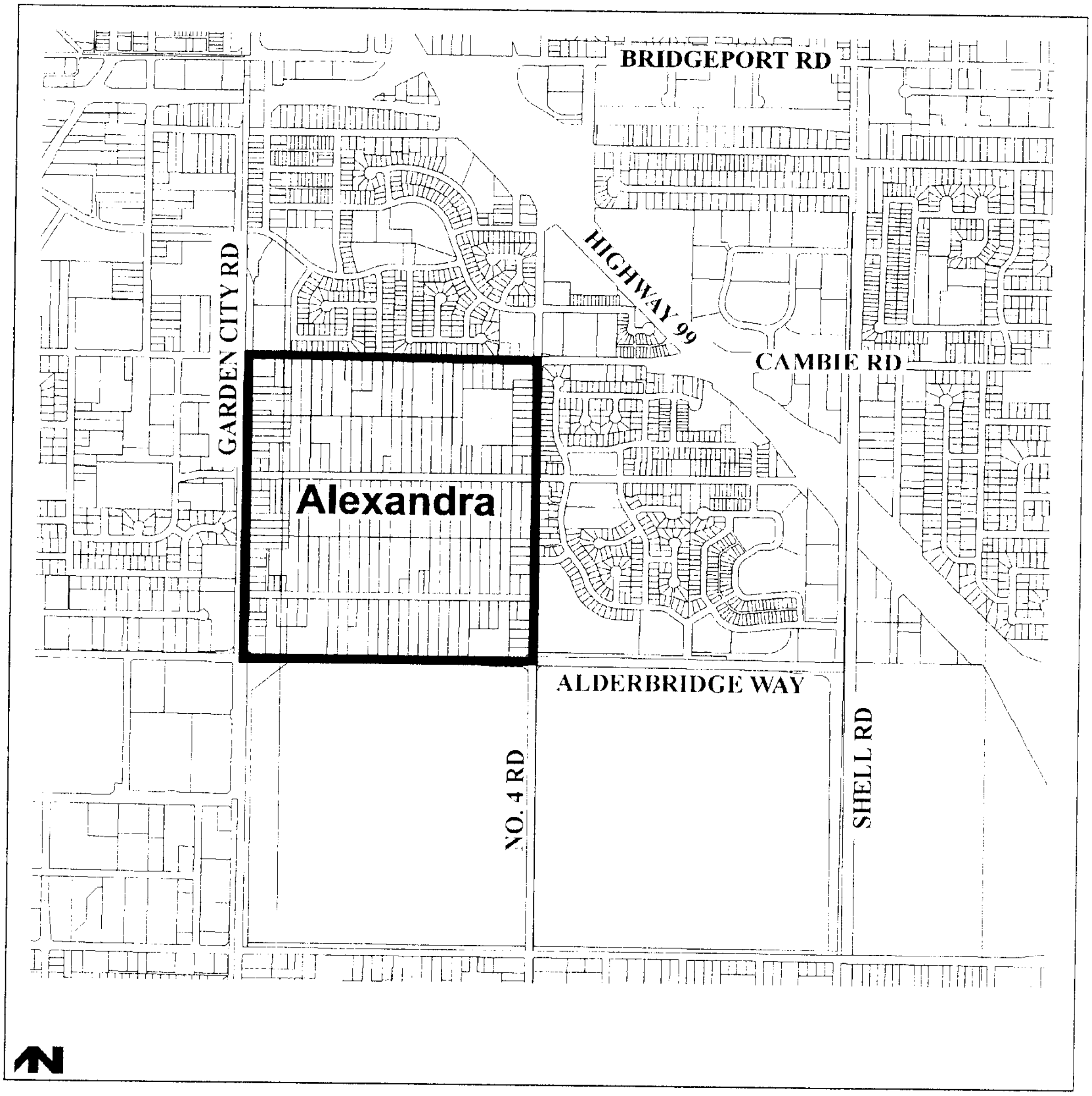
SCHEDULE A to BY-LAW NO. 8049

SCHEDULE A to BYLAW NO. 8024



SCHEDULE A to BY-LAW NO. 8049

SCHEDULE A to BYLAW NO. 8024



SCHEDULE B to BY-LAW NO. 8049

SCHEDULE B to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - RESIDENTIAL DEVELOPMENT

Single-Family Dwelling

Servicing Type	rate per lot
Road Works	$4,682.00
Drainage	$4,459.81
Water Works	$768.18
Sanitary Sewer	$2,315.28
Parks Acquisition	$5,245.90
Parks Development	$3,985.69
TOTAL	$21,456.86

Townhouse

Servicing Type	rate per square foot of the building area
Road Works	$2.24
Drainage	$1.92
Water Works	$0.49
Sanitary Sewer	$1.46
Parks Acquisition	$3.31
Parks Development	$2.52
TOTAL	$11.94

Multi-Family Dwelling

Servicing Type	rate per square foot of the building area
Road Works	$3.00
Drainage	$1.36
Water Works	$0.50
Sanitary Sewer	$1.51
Parks Acquisition	$3.41
Parks Development	$2.59
TOTAL	$12.37

SCHEDULE C to BY-LAW NO. 8049

SCHEDULE C to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - COMMERCIAL DEVELOPMENT

Servicing Type	rate per square foot of the building area
Road Works	$5.97
Drainage	$1.33
Water Works	$0.19
Sanitary Sewer	$0.57
Parks Acquisition	$0.65
Parks Development	$0.49
TOTAL	$9.20

SCHEDULE D to BY-LAW NO. 8049

SCHEDULE D to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - LIGHT INDUSTRIAL DEVELOPMENT

Servicing Type	rate per square foot of the building area
Road Works	$4.26
Drainage	$1.33
Water Works	$0.19
Sanitary Sewer	$0.57
Parks Acquisition	$0.65
Parks Development	$0.49
TOTAL	$7.49

SCHEDULE E to BYLAW 8049

SCHEDULE E to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - MAJOR INDUSTRIAL DEVELOPMENT

Servicing Type	rate per acre of gross site area
Road Works	$22,291.53
Drainage	$40,609.35
Water Works	$4,114,56
Sanitary Sewer	$12,401.22
Parks Acquisition	$2,497.63
Parks Development	$1,897.63
TOTAL	$83,811.92

SCHEDULE F to BYLAW NO. 8049

SCHEDULE F to BYLAW NO. 8024

SUPPLEMENTARY DEVELOPMENT COST CHARGES IN ALEXANDRA AREA

In addition to the development cost charges applicable city-wide in Richmond, development in the Alexandra Area shall pay the following development cost charges:

Multi-Family Dwelling

Servicing Type	rate per square foot of the building area
Roads	$3.14
Storm Drainage	$0.36
Water	$0.07
Sanitary Sewer	$0.15
Parks Acquisition	$3.41
Parks Development	$0.43
TOTAL	$7.56

Townhouse

Servicing Type	rate per square foot of the building area
Roads	$2.35
Storm Drainage	$0.51
Water	$0.07
Sanitary Sewer	$0.15
Parks Acquisition	$3.31
Parks Development	$0.42
TOTAL	$6.81

Commercial Development

Servicing Type	rate per square foot of the building area
Roads	$6.26
Storm Drainage	$0.35
Water	$0.03
Sanitary Sewer	$0.06
Parks Acquisition	$0.64
Parks Development	$0.08
TOTAL	$7.42