



City of Richmond

Bylaw 8688

Alexandra District Energy Utility Bylaw No. 8641 Amendment Bylaw No. 8688

The Council of the City of Richmond enacts as follows:

1. **Alexandra District Energy Utility Bylaw No. 8641**, is amended by deleting Schedule A in its entirety and substituting Schedule A attached to and forming part of this bylaw.
2. This Bylaw is cited as “**Alexandra District Energy Utility Bylaw No. 8641 Amendment Bylaw No. 8688**”.

FIRST READING

JAN 10 2011

SECOND READING

JAN 10 2011

THIRD READING

JAN 10 2011

ADOPTED

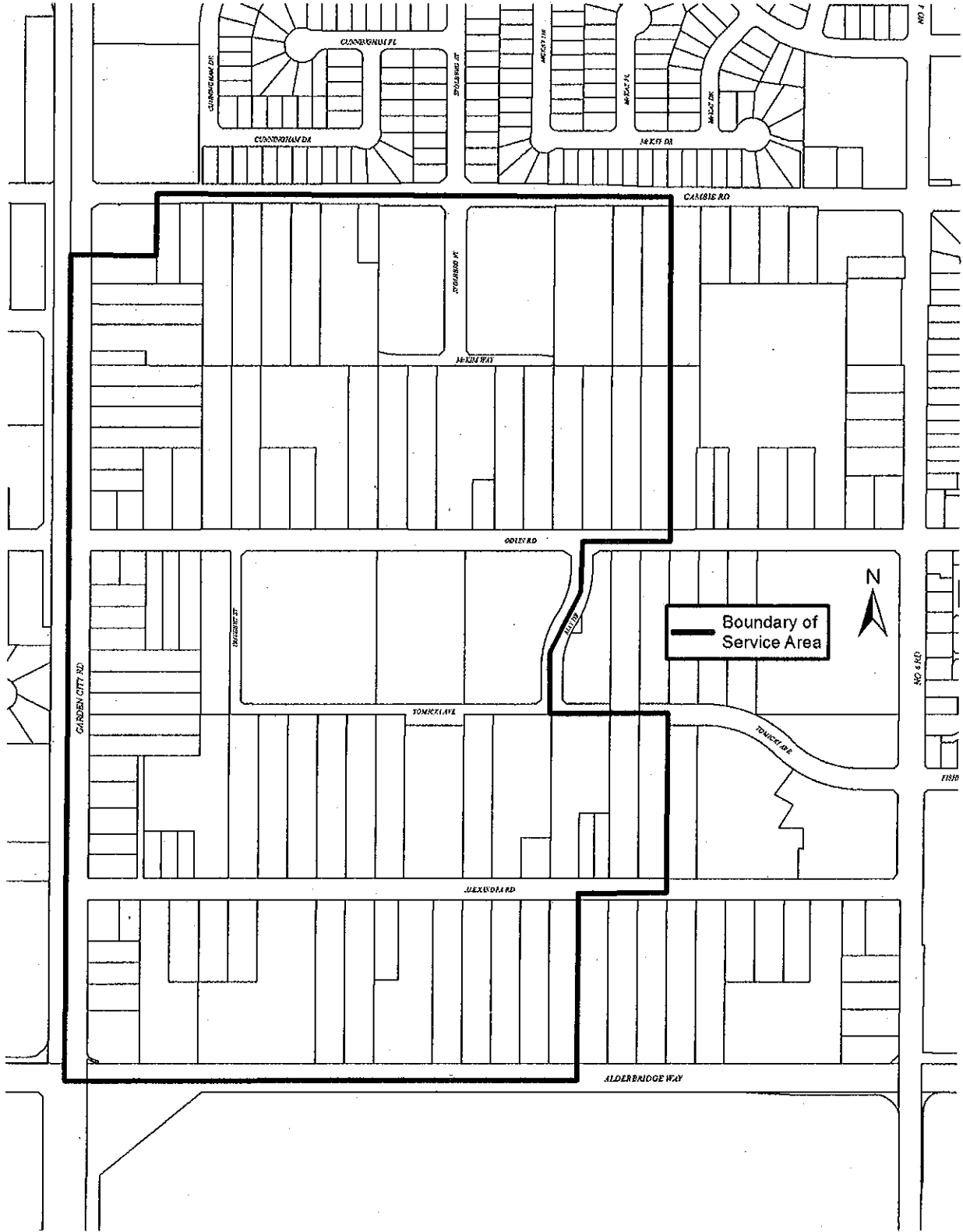
MAYOR

CORPORATE OFFICER

CITY OF RICHMOND
APPROVED for content by original deputy

APPROVED for legality by Solicitor

SCHEDULE A to BYLAW NO. 8641



Attachment 2 – In-Stream Applications

Rezoning Application	Address	Project Description	Applicant	Project Status
RZ 08-410760	9411/9371 Alexandra Rd	139 dwelling units and 369m ² of commercial space	0797460 BC LTD	RZ & DP adopted BP not yet submitted
RZ 04-270168	9560/80 Cambie Rd 9531/51/71 Odlin Rd	Assembly Use for Ismaili Temple	FNDA	RZ bylaw @ 3 rd Reading
RZ 09-453123	9340, 9360, 9400 Odlin Rd	221 dwelling units	Paul Goodwin GBL Architects	RZ bylaw @ 3 rd Reading
RZ 10-528877	4660, 4680, 4700, 4720, 4740 Garden City Rd, 9040, 9060, 9080, 9180, 9200, 9260, 9280, 9320, 9340, 9360, 9400, 9420, 9440, 9480, 9500 Alexandra Rd	32,860m ² 353,700 ft ² commercial floor area	Smart Centres	Staff Review Not ready to move forward to PC
RZ 10-537689	9331/9351/9371/9391 /9411 Odlin Rd	approx. 359 dwelling units	Polygon	RZ Bylaw @ 1 st reading. Scheduled for Dec 20 Public Hearing
RZ 10-534751	9251/9291 Alexandra Rd	approx 131 dwelling units and 381m ² of commercial	Fred Adab Architecture	Staff Review Very close to moving forward to PC

Attachment 3 – Density Bonus

As a proposed method for partially offsetting the in-stream developers' costs of providing in-building ADEU compatability, the density bonus structure is outlined in this attachment.

- Background:
 - Land values in West Cambie for lands permitting residential use is \$90 psf of site area.
 - At FARs of 1.5, this equates to \$60 psf buildable, and at 1.7 FAR \$53 psf buildable.
 - See the example below in mathematical sequence.
 - If we assume, for example, that Polygon is building to 1.7 FAR, then at their "sewer benefit charge" of \$657,546 and at a buildable land rate of \$53 psf then the additional square footage they need to cover the refund is 12,407 sf.
 - Based on the total proposed project before bonus of 351,000 sf, the additional square footage is an increase of 3.53%, thus the total FAR with bonus would be 1.76.
 - There is a negligible difference in percentage increase required dependent on the actual FAR being proposed.
 - Therefore, a suggestion may be to simply provide a 3.75% to 4% increase in density to account for any arguments regarding land value - current versus what they paid for the land, thus the base 1.7 FAR becomes 1.768.
- The incentive will apply only to the in-stream projects listed in **Attachment 2**. The proposed bonus would result in new FAR allowances as follows:

In Process	Approved/ Proposed FAR	Additional Square Footage	New Total FAR
Residential			
- Paul Goodwin Architects	1.7	7,624	1.76
- 0797460 BC Ltd	1.6	4,627	1.66
- Polygon	1.68	12,275	1.74
- Fred Adab Architecture	1.5	4,095	1.55
Commercial			
- SmartCentres	0.61	3,026	0.615

Developers who choose to take advantage of the density bonus outlined herein, will be asked to enter into agreements that would, in addition to the bylaw, contractually commit the developer to hook-up to the ADEU. Also, in order to take advantage of the density bonus, rezoning bylaws may need amendment and, depending on the stage of the rezoning application, an additional public hearings may be required.

Attachment 4 - Financial Analysis for Build-Out of ADEU to service 3.9 million sqft

Year (Date) Year (Count)	2010 0	2011 1	2012 2	2013 3	2015 5	2018 8	2021 11	2040 30
Initial Capital Outlay (\$6 M borrowed from water utility reserve)	(\$ 3,200,000)	(\$2,800,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue:								
Sq ft. Serviced (max 3.9 million)	-	180,000	363,000	715,000	1,400,000	2,740,000	3,907,000	3,907,000
User Fee per Sq ft. Serviced	\$ 0.96	\$ 0.96	\$ 1.00	\$ 1.04	\$ 1.12	\$ 1.26	\$ 1.42	\$ 2.99
Annual Revenue	\$ -	\$ 86,400	\$ 271,066	\$ 559,663	\$ 1,403,830	\$ 3,120,337	\$ 5,551,982	\$ 11,697,188
Expense:								
Op. Exp as % of Revenue				50%	50%	50%	50%	50%
Annual Expense	\$ -	(\$ 60,000)	(\$ 100,000)	(\$ 279,832)	(\$ 701,915)	(\$ 1,560,169)	(\$ 2,775,991)	(\$ 5,848,594)
Annual Net Revenue	\$ -	\$ 26,400	\$ 171,066	\$ 279,832	\$ 701,915	\$ 1,560,169	\$ 2,775,991	\$ 5,848,594
Oris Revenue Share Payment		(\$ 13,200)	(\$ 85,533)	(\$ 136,541)	(\$ 147,683)	(\$ 166,123)	(\$ 186,866)	(\$ 393,699)
Phase 2 - \$6 M (2010 \$) Debt Repay					(\$ 476,000)	(\$ 476,000)	(\$ 476,000)	(\$ 476,000)
Phase 3 - \$10 M (2010 \$) Debt Repay						(\$ 791,000)	(\$ 791,000)	(\$ 791,000)
Phase 4 - \$8 M (2010 \$) Debt Repay							(\$ 630,000)	(\$ 630,000)
Total Annual Debt Repayment	\$ -	(\$ 13,200)	(\$ 85,533)	(\$ 136,541)	(\$ 623,683)	(\$ 1,433,123)	(\$ 2,083,866)	(\$ 2,290,699)
Net Annual Cash Inflow (Outflow)	\$ -	(\$ 3,186,800)	(\$2,714,467)	\$ 143,290	\$ 78,232	\$ 127,045	\$ 692,125	\$ 3,557,896
Cumulative Cash Inflow (Outflow)	\$ -	(\$ 3,186,800)	(\$5,901,267)	(\$5,757,977)	(\$ 5,331,757)	(\$ 4,392,420)	(\$ 2,149,032)	\$ 36,318,008
Discount Rate	5%	5%	5%	5%	5%	5%	5%	5%
PV of Cashflow	\$ -	(\$ 3,035,048)	(\$2,462,102)	\$ 123,780	\$ 61,297	\$ 85,989	\$ 404,671	\$ 823,217

NPV of Inv. Over Asset's Life	\$12.8 M
Payback Period	14 years
Internal Rate of Return	12.25%

Assumptions:
Interest rate on debt: 4.5%
Term: 25 yrs
Rate Increase: 4% per year