



# City of Richmond

## Report to Committee

**To:** Public Works and Transportation Committee      **Date:** January 10, 2013  
**From:** John Irving, P.Eng. MPA      **File:** 10-6060-00/Vol 01  
           Director, Engineering  
**Re:**      **Excess and Extended Services and Latecomer Charges Administrative Procedure**

### Staff Recommendation

1. That Development Application Fees Bylaw No. 8951, Amendment Bylaw 8982 be introduced and given first, second and third readings.
2. That Consolidated Fees Bylaw No. 8636, Amendment Bylaw 8983 be introduced and given first, second and third readings.

John Irving, P.Eng. MPA  
 Director, Engineering  
 (604-276-4140)

Att. 2

REPORT CONCURRENCE			
<b>ROUTED TO:</b>  Finance Division Law Building Approvals Development Applications Transportation	<b>CONCURRENCE</b>  <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	<b>CONCURRENCE OF GENERAL MANAGER</b>  	
<b>REVIEWED BY DIRECTORS</b>	<b>INITIALS:</b> 	<b>REVIEWED BY CAO</b>	<b>INITIALS:</b> 

## Staff Report

### Origin

Developments that significantly alter land use or increase density on a property often require infrastructure improvements to support the new or improved land use. Infrastructure improvements required for development are generally supplied or financed by the development that makes them necessary.

From time to time developers are required to perform an infrastructure upgrade that benefits properties beyond their own with an upgraded size in excess of that required to support their development. Section 939 of the Local Government Act gives local governments the ability to require excess or extended services (EES) and it also allows the providing developer the ability to recover the cost of EES from benefitting property owners through latecomer charges.

While the Local Government Act lays out the legal framework for recovery of EES, there are a number of details and process issues that are left to the municipality. Staff are implementing an Excess and Extended Services and Latecomer Charges Administrative Procedure which addresses those elements and outlines a process that will guide staff and developers through development of latecomer agreements. Over the last 15 years, the City has entered into and managed a small number of latecomer agreements which were developed on an as required basis.

### Analysis

Section 939 of the Local Government Act allows local governments to require property owners that are subdividing or developing land to provide EES. EES are defined as:

- A) A portion of a highway system that will provide access to land other than the land being subdivided or developed, and
- B) A portion of a water, sewage or drainage system that will serve land other than the land being subdivided or developed.

Section 939 also allows for those providing EES to recover the cost of the EES from benefitting property owners through latecomer charges. Latecomer charges are collected by the local government and paid to the provider of the EES on an annual basis. Section 939 limits the period that latecomer charges can be collected to 15 years from completion of the EES.

Staff are implementing an Excess and Extended Services and Latecomer Charges Administrative Procedure that builds on Section 939 and outlines a process for developers in the City of Richmond to enter into and manage latecomer agreements that recover costs for the EES. The administrative procedure identifies:

- The requirement relating to latecomer agreement application;
- The form of the latecomer agreement;
- How the latecomer charges will be calculated;
- What costs can be included in a latecomer charge;

- When latecomer charges will be collected;
- When accrued latecomer charges will be forwarded to the developer providing the EES;
- The notification process for benefitting properties; and
- The payment of a fee to the City for administering a latecomer agreement for EES.

The Excess and Extended Services and Latecomer Charges Administrative Procedure will add consistency and certainty to the development of future latecomer charges.

The current Subdivision and Development Bylaw No. 8751 enables the General Manager of Engineering to enter into latecomer agreements on behalf of the City.

The current Excess or Extended Services and Latecomer Payment Interest Rate Establishment Bylaw No. 6936 prescribes the interest rate to be utilized for latecomer charges.

### **Bylaw Amendments**

The Excess and Extended Services and Latecomer Charges Administrative Procedure identifies a fee for administering latecomer agreements for excess or extended services. The following two City Bylaw amendments are required to facilitate collection of the administration fee:

1. Development Application Fees Bylaw No. 8951, Amendment Bylaw 8982 (Attachment 1), requires those entering into a latecomer agreement for excess or extended services to pay an administration fee specified in the Consolidated Fees Bylaw No. 8636.
2. Consolidated Fees Bylaw No. 8636, Amendment Bylaw 8983 (Attachment 2), identifies the fee for administration of a latecomer agreement as \$5,000. The administration fee is intended to offset City expenses required during the approval process and up to 15 year administration of the latecomer agreement.

### **Stakeholder Consultation**

The Excess and Extended Services and Latecomer Charges Administrative Procedure was presented to both the Urban Development Institute (UDI) and the Small Builders Association for feedback. The response was generally positive, with some concerns registered regarding the Latecomers Administration Fee.

### **Financial Impact**

None.


### **Conclusion**

Section 939 of the Local Government Act allows local governments to require developers to provide EES and also allows developers to recover the cost of EES they provide from benefitting properties. Staff are implementing an Excess and Extended Services and Latecomer Charges Administrative Procedure that builds on Section 939, outlining a process for developing and executing latecomer agreements within the City of Richmond that adds clarity and improves

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consistency for the latecomer process. It also identifies an administration fee that will be required from proponents entering a latecomer agreement. Amendments to the Development Application Fees Bylaw No. 8951 and the Consolidated Fees Bylaw No. 8636 are required to implement the administration fee.



Lloyd Eie, P.Eng.  
Manager, Engineering Planning  
(604-276-4075)

LB:lb



**Development Application Fees Bylaw No. 8951,  
Amendment Bylaw 8982**

The Council of the City of Richmond enacts as follows:

1. **Development Application Fees Bylaw No. 8951** is amended by:
  - (a) deleting the title of section 1.12 and substituting "**Servicing Agreements and Latecomer Agreements**"; and
  - (b) adding the following after section 1.12.2:
 

"1.12.3 Every **applicant** for a latecomer agreement for excess or extended services, as defined in section 939 of the *Local Government Act*, must pay the applicable fee specified in the Consolidated Fees Bylaw No. 8636 prior to execution of the latecomer agreement."
  
2. This Bylaw is cited as "**Development Application Fees Bylaw No. 8951, Amendment Bylaw No. 8982**".

FIRST READING

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SECOND READING

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THIRD READING

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ADOPTED

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CITY OF RICHMOND
APPROVED for content by originating dept.  U3
APPROVED for legality by Solicitor  WJ

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MAYOR

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CORPORATE OFFICER



Consolidated Fees Bylaw No. 8636, Amendment Bylaw 8983

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

- 1. The Consolidated Fees Bylaw No. 8636, as amended, is further amended by deleting the heading "Servicing Agreements" and substituting "Servicing Agreements and Latecomer Fees" in the schedule entitled "Schedule - Development Application Fees".
2. The Consolidated Fees Bylaw No. 8636, as amended, is further amended by adding the following after Section 1.12.1 in the schedule entitled "Schedule - Development Application Fees":

Table with 4 columns: Section, Application Type, Base Fee, Incremental Fee. Row 1: Section 1.12.3, Latecomer Agreement, \$5,000, Not Applicable.

- 3. This Bylaw may be cited as "Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 8983".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

Four horizontal lines for signatures corresponding to the reading stages.

Vertical stamp box containing: CITY OF RICHMOND, APPROVED for content by originating dept. (with signature), APPROVED for legality by Solicitor (with signature).

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MAYOR

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CORPORATE OFFICER