


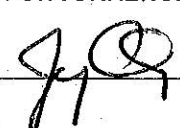



To: Richmond City Council **Date:** July 17, 2008
From: Jerry Chong **File:**
 Director, Finance
Re: Proposed DCC Program and Rates Bylaw No. 8024, Amendment Bylaw No. 8396

Staff Recommendation

1. The Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 be amended by deleting clause 6 and replacing it with the following clause:
 - "6. This bylaw comes into effect:
 - a) on the date of adoption, in relation to subdivisions for which an application as described in s. 943 of the *Local Government Act* was made prior to the date of adoption, but subject to the 12 month period prescribed in s. 943; and
 - b) one year from the date of adoption, in relation to development authorized by building permit and in relation to subdivisions for which an application as described in s. 943 of the *Local Government Act* is made after the date of adoption."
2. The Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 be given 2nd reading as amended.
3. The Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396 be given 3rd reading.


 Jerry Chong
 Director Finance
 (4064)

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ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER	
Engineering	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	 For A. NAZARETH	
Budgets	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Law	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Parks Design, Construction & Programs ..	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Development Applications	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Policy Planning	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
Transportation	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>  NO <input type="checkbox"/>	REVIEWED BY CAO	ACTING YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>

Staff Report

Origin

On June 2, 2008, Committee reviewed a report 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 review with representatives of the development industry. That consultation process has been completed and the DCC Program and Rates Bylaw (No. 8396) is ready for the approval of Council.

Analysis

The report presented to committee in June 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:

Infrastructure	Amount*
Transportation (roads)	\$ 525,740,492
Drainage	\$ 210,020,330
Water	\$ 38,624,892
Sanitary Sewer	\$ 122,426,551
Total	\$ 896,812,265
Parkland Acquisition and Development	
Land Acquisition	\$ 315,962,198
Park Development	\$ 133,388,053
Total	\$ 449,350,251
Total Infrastructure and Parkland	\$1,346,162,516

*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	\$21,457	\$28,004	31%
Townhouse	Per unit (based on 1,350 ft ² unit)	\$16,120	\$21,586	34%
Apartment	Per unit (based on 950 ft ² unit)	\$11,746	\$15,856	35%
Commercial	Per ft ² of building area	\$9.20	\$12.25	33%
Light Industry	Per ft ² of building area	\$7.49	\$9.91	32%
Major Industry	Per acre of gross site area	\$83,812	\$102,735	23%

*Shown as per ft² rate for comparison purposes only; actually charged on the basis of per unit

Public Consultation Results

A public open house was held on July 3, 2008, 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. As requested by Council, the small local homebuilders in Richmond were specifically invited to this meeting. The open house was very sparsely attended and no issues were raised.

The review team also met with representatives from the Urban Development Institute (UDI), Greater Vancouver Home Builder's Association (GVHBA) and National Association of Industrial and Office Properties (NAIOP) and provided various points of clarification. UDI and GVHBA originally provided a letter of support for the DCC rates, however this has been withdrawn because of their concerns with regard to City Centre Area Plan (CCAP). Staff do not expect to receive another letter from UDI or GVHBA regarding DCC Bylaw 8396.

Implementation Guidelines

In order to inform applicants for building permits and subdivisions of DCC Bylaw 8396, an implementation bulletin will be prepared by city staff. This bulletin, which is similar to the one prepared for the last DCC Bylaw amendment (Bylaw 8049), will outline the application of the new DCC rates or the existing DCC rates as follows:

- New building permit and subdivision applications

All subdivision and building permit applications submitted one year after Bylaw 8396 is adopted would be subject to the new DCC rates.

- In-stream applications

If Development Cost Charges Bylaw No. 8024, Amendment Bylaw 8396 is adopted on September 22, 2008, the following applications will be subject to the existing DCC rates pursuant to current Development Cost Charges Bylaw No. 8024, Amendment Bylaws 8049 and 8060.

- 1) All applications for subdivision of land that are *in-stream* and which are *completed* on or before September 22, 2009; and
- 2) All applications for building permits that are completed before September 22, 2009.

"In-stream" means in the case of a subdivision, the application form has been completed, the application fees have been paid in full and all supporting documentation necessary to make the application complete have been submitted to the City to the satisfaction of the City's Approving Officer.

“Completed” means:

- a) Subdivision Application - in the case of a subdivision application, in addition to the items specified in the definition of *in-stream*:
 - (i) The required zoning bylaw has been enacted;
 - (ii) All prior-to conditions to the approval of the subdivision established in writing by the Approving Officer have been completed including, without limitation, any servicing agreements have been executed and any statutory rights of way, Section 219 covenants, access easements, road dedications and lot consolidations have been completed and executed along with any applicable plans, and fully registered in the Land Title Office;
 - (iii) All fees, Development Cost Charges and levies has been paid or secured; and
 - (iv) The final plan of subdivision has been registered in the Land Title Office, all to the satisfaction of the Approving Officer.

- b) Building Permit Application – in the case of a building permit application:
 - (i) The required zoning bylaw has been enacted;
 - (ii) Required development permits have been issued;
 - (iii) All required letters of assurance have been submitted;
 - (iv) All required signed and sealed drawings have been submitted;
 - (v) All equivalency or alternate solution reports have been signed, sealed and delivered and accepted by the Director of Building Approvals;
 - (vi) Any required geotechnical reports, Section 219 covenants, letters of credit and proof of delivery of notice to potentially affected adjacent landowners have been completed and submitted; and
 - (vii) Any required legal agreements are completed and executed and, if applicable, fully registered in the Land Title Office, all to the satisfaction of the Director of Building Approvals, such that the building permit can be processed and issued without further submission from the applicant.

Bill 27

On May 29, 2008 the Provincial Government enacted new DCC legislation. The legislative changes included the option for municipalities to exempt or waive DCCs for for-profit affordable rental housing and for “green” developments, which include:

- subdivisions of small lots designed to result in low green house gas emissions; and
- developments designed to result in a low environmental impact.

The Council is now required to consider, when establishing DCCs, how development designed to result in a low environmental impact may affect the capital costs of infrastructure funded by DCCs, and whether the charges will discourage development designed to result in a low environmental impact. These mandatory considerations under Bill 27 came into force after the City had already prepared the DCC amendments. Staff have reviewed the DCC capital program and the various classes of land use and determined that development designed to result in low environmental impact is not expected to affect the capital program and that the recommended

DCCs are not expected to discourage low environmental impact developments. Current design standards and developer requirements do not reflect the use of low impact works. The City is investigating the impact of different low environmental impact utility design methods on servicing requirements and the results are not complete at this time.

Road Improvements Along Parks

One of the questions that UDI has raised, and has been an issue in the Alexandra neighbourhood of the West Cambie area and could become an issue in the City Centre, is who pays for the road improvement adjacent to a park.

Staff and our consultants met to discuss this, and all of the proposed new parks in the City Centre to the year 2031 included in the DCC Bylaw 8396 were reviewed. It was found that this was not an issue that required any amendments to the proposed new DCC Program.

Specifically, it was found that road improvements along parks would be addressed in one of the following ways:

1. The road improvements are included in the Transportation DCC Program (e.g., new road along the CPR corridor adjacent to the Middle Arm Water Front Park);
2. The road improvements would be negotiated through the rezoning process (e.g., existing road improvements and proposed new roads included in the "Sun Tech" site by Pinnacle and Concord Developments);
3. The existing road improvements are considered sufficient (e.g., Minoru Boulevard, Elmbridge Way, Cedarbridge Way and Alderbridge Way around the future "Courthouse" and "porkchop" park sites);
4. The existing road frontage may be left substandard in isolated and rare cases (e.g., Heather Street adjacent to Paulik Park in South McLennan).

Next Steps

Upon Council giving 3rd reading to Bylaw 8396, it would then be 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

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.

While DCCs will pay for the majority of infrastructure and park costs needed to support development, the City will still be responsible for a share of the costs through the municipal

assist factor (1% of DCC recoverable costs). The City will also be responsible for the portion of infrastructure costs allocated to existing development.

Conclusion

The DCC rates outlined in DCC Bylaw No. 8396 are required to fund the infrastructure and parkland necessary to provide servicing for future growth. A 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 have amended Bylaw 8396 to provide a clear cut effective date. An implementation bulletin will also be prepared to provide clear guidelines to the development industry.



Jerry Chong
Director, Finance
(4064)



Holger Burke
Development Coordinator
(4164)



**Development Cost Charges Bylaw No. 8024,
Amendment Bylaw No. 8396**

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 Schedule "B" and substituting Schedule "B" attached hereto and forming part of the Bylaw as Schedule "B" to Bylaw No. 8024.
2. 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 Bylaw No. 8024.
3. 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 Bylaw No. 8024.
4. 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 Bylaw No. 8024.
5. 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.
6. This bylaw comes into force and effect one year after adoption.
7. This Bylaw is cited as "**Development Cost Charges Bylaw No. 8024, Amendment Bylaw No. 8396**".

FIRST READING

SECOND READING

THIRD READING

ADOPTED

MAYOR

JUN 23 2008

CORPORATE OFFICER

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

SCHEDULE B to BYLAW NO. 8396

SCHEDULE B to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - RESIDENTIAL DEVELOPMENT

Single-Family Dwelling

<u>Servicing Type</u>	rate per lot
Road Works	\$6,431.35
Drainage	\$5,131.99
Water Works	\$810.63
Sanitary Sewer	\$2,634.91
Parks Acquisition	\$9,109.36
Parks Development	\$3,885.44
<u>TOTAL</u>	\$28,003.68

Townhouse

<u>Servicing Type</u>	rate per square foot of the building area
Road Works	\$3.08
Drainage	\$2.20
Water Works	\$0.53
Sanitary Sewer	\$1.72
Parks Acquisition	\$5.93
Parks Development	\$2.53
<u>TOTAL</u>	\$15.99

Multi-Family Dwelling

<u>Servicing Type</u>	rate per square foot of the building area
Road Works	\$4.11
Drainage	\$1.57
Water Works	\$0.54
Sanitary Sewer	\$1.77
Parks Acquisition	\$6.10
Parks Development	\$2.60
<u>TOTAL</u>	\$16.69

SCHEDULE C to BYLAW NO. 8396

SCHEDULE C to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - COMMERCIAL DEVELOPMENT

<u>Servicing Type</u>	rate per square foot of the building area
Road Works	\$8.20
Drainage	\$1.53
Water Works	\$0.21
Sanitary Sewer	\$0.67
Parks Acquisition	\$1.15
Parks Development	\$0.49
<u>TOTAL</u>	\$12.25

SCHEDULE D to BYLAW NO. 8396

SCHEDULE D to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - LIGHT INDUSTRIAL DEVELOPMENT

<u>Servicing Type</u>	rate per square foot of the building area
Road Works	\$5.86
Drainage	\$1.53
Water Works	\$0.21
Sanitary Sewer	\$0.67
Parks Acquisition	\$1.15
Parks Development	\$0.49
<u>TOTAL</u>	\$9.91

SCHEDULE E to BYLAW NO. 8396

SCHEDULE E to BYLAW NO. 8024

DEVELOPMENT COST CHARGES - MAJOR INDUSTRIAL DEVELOPMENT

<u>Servicing Type</u>	rate per acre of gross site area
Road Works	\$30,619.11
Drainage	\$46,728.08
Water Works	\$4,473.33
Sanitary Sewer	\$14,540.33
Parks Acquisition	\$4,468.31
Parks Development	\$1,905.88
<u>TOTAL</u>	\$102,735.04

