

NO: R206

COUNCIL DATE: November 28, 2022

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **November 24, 2022**

FROM: **Acting General Manager, Planning & Development**

FILE: **0510-20 (SD36)**

SUBJECT: **Surrey School District Eligible School Sites Proposal 2023-2024 Capital Plan**

RECOMMENDATION

The Planning & Development Department recommends that Council:

1. Receive this report for information;
2. Accept the Surrey School District's Eligible School Sites Proposal 2023-2024 Capital Plan, attached as Appendix "I"; and
3. Support that City staff continue to work with School District staff to review expected student yields resulting from the future residential units in order to determine if changes to their projections, and subsequently future Eligible School Sites Proposals, are warranted.

INTENT

The intent of this report is to provide information to Council on the Surrey School District's (the "School District") Eligible School Sites Proposal for 2023 to 2024 and to seek Council endorsement of the proposal.

BACKGROUND

Each year, all school districts in British Columbia are required to submit a Capital Plan, including an estimate of the number, location, and cost of proposed new school sites, to the Provincial Ministry of Education (the "Ministry"). This is known as the Eligible School Sites Proposal (the "Proposal"). The Ministry reviews and approves the Capital Plan, including the Proposal, as the basis for funding new schools in each district.

In preparing its Capital Plan, the School District utilizes the City's residential growth projections to calculate the number, size, and location of new schools that will be required over the next 10-years. The School District then estimates the costs for land acquisition, development, and other capital requirements for each new school.

On September 14, 2022, the Board of Education of School District No. 36 (Surrey) (the “School Board”) approved the Proposal incorporated into the School District's 2023-2024 Capital Plan submission to the Ministry. The Proposal is attached as Appendix “I”.

Pursuant to Section 937.4(6) of the LGA, the City must consider the School District's resolution at a Regular Council Meeting, and within 60-days of receiving the request, and must:

- 937.4(6) (a) pass a resolution accepting the school board's resolution of proposed eligible school site requirements for the school district, or*
- (b) respond in writing to the school board indicating that it does not accept the school board's proposed school site requirements for the school district and indicating*
 - (i) each proposed eligible school site requirement to which it objects, and*
 - (ii) the reasons for the objection.*

According to legislation, if the City fails to respond within 60-days of receiving such a request, it is deemed to have agreed to the proposed eligible school sites requirements for the School District, as set out in the School Board's resolution. The School District letter requesting comments was dated September 23, 2022 and was received by the City on October 7, 2022.

DISCUSSION

Surrey School District Resolution - Eligible School Sites Proposal

The School District's Proposal documents the projected growth in the number of school-aged children that will occur over the next 10-years in Surrey, the number of new schools that will be needed to accommodate this growth, the general location and area of land required for each new school, and the acquisition costs for the school sites, including servicing. The School District utilizes the City's residential growth projections as the basis for projecting the growth in student population and the allocation of this growth geographically across the City to establish where and when additional school capacity will be required.

School District staff work in close collaboration with City staff in preparing their student projections. The work begins with School District staff being fully participant in the preparation of land use plans for Surrey's neighbourhoods. This helps establish the need and size of future schools, as well as their proposed locations. This information guides School District land acquisitions. In addition, every quarter, City staff and School District staff meet to review land use plan status, discuss the population projection model for the City that is used by City staff, and finally, every month, School District staff are provided with a summary of residential building permits issued for the month, which include the location, dwelling unit type, and number of dwelling units.

The more detailed student yield projections are based on key reviews. School District staff review current student yield from existing projects, unit type, and location, after which they establish trends and student yield projections that are then used when reviewing development applications. This helps School District staff establish a more precise two-to-five-year enrollment projection per catchment areas, which guides their capital planning process, including future property needs that will host new schools in Surrey.

The Proposal indicates the following:

- New residential development is estimated to be 49,547 residential development units in Surrey and White Rock over the next 10-years (54,057 units if including secondary suites).
- This new residential development will result in an estimated increase of 7,751 school-aged children in the School District over the next 10-years.
- In consideration of new schools for which funding has already been committed and the number of students that will be graduating from the School District during the next 10-years, the net increase in the student population will require eight new school sites, one replacement site, and one school site expansion over the next 10-years.
- The new and expanded school sites, which are proposed for acquisition within 10-years and based on current serviced land prices, will cost an estimated \$447,000,000.

School Site Acquisition Charge

The School Site Acquisition Charge (“SSAC”) regulation is established through the authority of Sections 937.2 and 937.91 of the LGA. The LGA empowers school districts to adopt a Bylaw establishing SSACs that are to be paid for each dwelling unit in new residential developments within the district. The SSACs, which are approved through Provincial legislation, are calculated with the intent to provide revenues to cover 35% of the acquisition costs and school site property expansions required within that jurisdiction over a 10-year period.

As required under legislation, the City collects the SSACs on behalf of the School District and remits these charges to the School District each year.

The SSACs are only applicable to residential development, and in Surrey, the SSACs have already reached the maximum amount allowed by the Provincial School Site Regulations, pursuant to the LGA. As such, there will be no increase in the SSACs in 2023 as a result of the Proposal. Based on current land values in Surrey, the SSACs are below 35% of the acquisition costs school site property expansions.

The following table documents the current SSAC rates applicable to residential development in Surrey.

Prescribed Category of Eligible Development (BC Regulation 17/00)	School Site Acquisition Charge Rates <i>(The SSAC rate is capped at maximum allowed pursuant to Provincial regulations)</i>
Low Density (<21 units / ha.)	\$1,000 per unit
Medium Low (21-50 units / ha)	\$900 per unit
Medium (51 -125 units / ha)	\$800 per unit
Medium High (126-200 units / ha)	\$700 per unit
High Density (>200 units / ha)	\$600 per unit

Comments on the School Board’s Eligible Schools Sites Proposal

The School District determines student growth estimates by assigning different student yield rates to forecasted residential unit-types provided by Surrey staff. The School District’s student yield rates for each unit type are listed in Appendix “I” (Schedule A, Table 4).

City staff reviewed the resulting student yields based on the School District’s rates and compared them with 2016 Census data on school-aged children living in different residential unit types in Surrey. The review showed that the School District’s student yield projections may not be aligned with Census estimates of school-aged children in different residential unit types in Surrey.

While there may be differences when comparing the School District’s student population estimates with those derived using the 2016 Census data, it is not clear if an adjustment of the student yield rates would result in overall changes to the proposed number of school site expansions or new site additions as proposed in the Eligible School Sites Proposal; therefore, it is recommended that Council accept the School District’s Proposal and that staff meet with School District staff to review expected student yields resulting from the future residential units in order to determine if changes to their projections, and subsequently to future Eligible School Sites Proposals, are warranted.

SUSTAINABILITY CONSIDERATIONS

The work of this project supports the objective of the City’s Sustainability Charter 2.0. In particular, this work relates to Sustainability Charter 2.0 themes of Education and Culture. Specifically, this project supports the following Desired Outcomes (“DO”) and Strategic Directions (“SD”):

- Learning DO2: Surrey children and youth have access to a high quality comprehensive and inclusive educational system, and opportunities that include experiences in and out of school.
- Learning DO5: Surrey’s educational institutions and libraries are integrated into the community, and have sufficient capacity to accommodate residents as well as attract people from other areas.
- Learning SD1: Support the expansion of education opportunities, including increased space and schools for students and niche programs only available in Surrey.
- Learning SD7: Promote collaboration between public partners, educational institutions, arts and heritage groups, and the community.

CONCLUSION

Based on the information and discussion above, it is recommended that Council accept the Surrey School District's Eligible School Sites Proposal 2023-2024 Capital Plan (attached as Appendix "I") and instruct the City Clerk to forward a copy of this report and related Council resolution to the Surrey School District. Additionally, City staff will meet with School District staff to review expected student yields resulting from the future residential units in order to determine if changes to their projections, and subsequently to future Eligible School Sites Proposals, are warranted.

Original Signed By
Jeff Arason, P.Eng.
Acting General Manager, Planning & Development

PH/ss

Appendix "I" - Surrey School District's Eligible School Sites Proposal 2023-2024 Capital Plan

September 23, 2022

Mr. Vincent Lalonde
City Manager
City of Surrey
13450 – 104 Avenue
Surrey, BC V3T 1V8

Dear Mr. Lalonde:

Re: Eligible School Site Proposal

Please be advised that at the public meeting of the Board of Education of School District No. 36 (Surrey), the 2023/2024 Eligible School Site Proposal was approved. As you are aware, the Eligible School Site Proposal is a required component of the annual capital plan submission and is referred to local governments in the district for acceptance pursuant to the *Local Government Act*. Please find attached the certified resolution of the Board of Education of School District No.36 (Surrey) for acceptance by city council. A copy of the administrative memorandum considered by the board is also attached for your reference.

The 2023/2024 Eligible School Site Proposal indicates the following:

- Based on consultation with City of Surrey and the City of White Rock on the Eligible School Sites Proposal (ESSP), the Board of Education of School District No. 36 (Surrey) estimates that there will be 49,547 (54,057 including secondary suites) development units constructed in the school district over the next 10 years (Schedule 'A' – Table 2); and
- These 54,057 new development units will be home to an estimated 7,751 school age children (Schedule 'A' – Table 3); and
- The School Board expects 8 new school sites, 1 replacement site and 1 site expansion, over the ten-year period, will be required as the result of this growth in the school district and the site acquisitions will be located as presented in Schedule 'B'; and
- According to Ministry of Education site standards presented in Schedule 'B' these sites will require in total 40.2 hectares (approx. 99.34 acres). These sites should be purchased within ten years and serviced land cost is estimated at \$447,000,000.

LEADERSHIP IN LEARNING

The School Site Acquisition Charge (SSAC) bylaw rate is currently set at the maximum allowed by the Local Government Act and Provincial Regulations. Therefore, no change is required to the SSAC bylaw rate applied to new development units, based on calculations consistent with Provincial SSAC Regulations.

Pursuant to the *Education Statutes Act*, local governments have 60 days to either:

1. *Pass a resolution accepting the proposed eligible school site requirements for the school district;*
2. *Respond in writing to the school board indicating that it does not accept the school board's proposed site requirements for the school district and indicating*
 - *Each proposed school site to which it objects; and*
 - *The reason for the objection.*

If no response is received within 60 days the legislation states that the local government will have been deemed to accept the proposal. Please place the resolution on your Council's agenda to meet this timeline.

Please feel free to contact this office through Mr. Dave Riley, Director, Capital Project Office, by telephone at 604-595-5190 or by email at riley_d@surreyschools.ca should you require any further information.

Yours truly,



Jon Harding, CPA, CA
Secretary-Treasurer

Enclosures: 2

cc: Dave Riley, Director, Capital Project Office, Surrey School District
Stuart Jones, Senior Planner, Planning and Development Department, City of Surrey
Heather McNell, General Manager, Regional Planning and Housing Services, Metro Vancouver

JH/dg

Record of Board Approval

At its September 14, 2022 Regular Meeting the Board of Education of School District No. 36 (Surrey) approved the following motion:

4. (c) Eligible School Sites Proposal – 2023/24 Capital Plan

“THAT based on consultation with City of Surrey and the City of White Rock on the Eligible School Sites Proposal (ESSP), the Board of Education of School District No. 36 (Surrey) estimates that there will be 49,547 (54,057 including secondary suites) development units constructed in the school district over the next 10 years (Schedule ‘A’ – Table 2); and

THAT these 54,057 new development units will be home to an estimated 7,751 school age children (Schedule ‘A’ – Table 3); and

THAT the School Board expects 8 new school sites, 1 replacement site and 1 site expansion, over the ten-year period, will be required as the result of this growth in the school district and the site acquisitions will be located as presented in Schedule ‘B’; and

THAT according to Ministry of Education site standards presented in Schedule ‘B’ these sites will require in total 40.2 hectares (approx. 99.34 acres). These sites should be purchased within ten years and serviced land cost is estimated at \$447,000,000; and

THAT the Eligible School Sites Proposal be forwarded to Local Governments for acceptance.”



Jon Harding, CPA, CA
Secretary-Treasurer

Administrative Memorandum

Regular Board Meeting

Date: September 14, 2022
Topic: Eligible School Sites Proposal – 2023/24 Capital Plan
Submitted by: Jon Harding, Secretary-Treasurer

Background:

A School Site Acquisition Charge (SSAC) is imposed on new eligible development units (residential development) for the purpose of providing funds to assist school boards in paying the capital cost of eligible school sites. To date, 21 eligible school sites (including new sites and site expansions) have been purchased since the inception of the SSAC in 2001.

Pursuant to the School Site Acquisition provisions of the Local Government Act, an Eligible School Site Proposal (ESSP) must be prepared, and approved by the Board of Education annually. Once approved, the ESSP is referred to the City of Surrey and City of White Rock for acceptance.

Development of the ESSP involves extensive consultation with the City of Surrey and the City of White Rock staff. Both local governments provide 10-year projections for residential development consistent with their Official Community Plans, Regional Context Statements and Neighbourhood Concept Plans. That information is then used to project the number of school age children that would be generated by the additional housing units. A review of the distribution of new housing units is used to project enrolment growth at schools and to estimate the general location, size and number of school sites and site expansions required to accommodate student growth.

Schedule B of the attached document outlines the draft ESSP, which identifies eight site acquisition proposals, including seven new school sites and one site expansion. The eight eligible school site acquisition proposals have been included as capital projects in the District's 2023/24 Five-Year Capital Plan.

The sites that are listed in the 2023/24 Five -Year Capital Plan and Eligible School Site Proposal were already identified in the 2022/23 Five -Year Capital Plan and Eligible School Site Proposal submitted with the addition of the proposed new East Newton Secondary School and Hjorth Road Elementary school replacement site.

The SSAC bylaw rate is currently set at the maximum allowed by the Local Government Act and Provincial Regulations and the ESSP does not trigger a rate adjustment. Therefore, no change is required to the School Site Acquisition Charge (SSAC) bylaw rate applied to new development units, based on calculations consistent with Provincial School Site Acquisition Charge Regulations. It should be noted that the maximum (SSAC) has not increased since it was first established by government in 2000.

Eligible School Sites Proposal – 2023/24 Capital Plan

Prior to submitting the ESSP to the Ministry of Education, the proposal must formally be referred to the City of Surrey and the City of White Rock who may:

- Pass a resolution accepting the proposed ESSP; or
- Respond in writing to the School District indicating that it does not accept the ESSP, documenting reasons for the objection.

If the Local Government fails to respond within 60 days of receiving such a request, it is deemed to have agreed to the proposed ESSP requirements.

The following information has been considered:

1. The Eligible School Site Proposal projections have been discussed with planning department staff for the City of Surrey and the City of White Rock. Municipal staff have provided updated growth projections for the period 2022/23 to 2031/32 based on the latest demographic data and market trends for housing (Schedule 'A').
2. A projection of the number of additional school age children, as defined in the *School Act*, generated by the projected eligible development units for the period 2022/23 to 2031/32 has been revised based on the projections provided by the City of Surrey and the City of White Rock (Schedule 'A').
3. The approximate size and the number of school sites required to accommodate the number of children projected (Schedule 'B').
4. The approximate location and value of school sites (Schedule 'B').

It is recommended:

THAT based on consultation with City of Surrey and the City of White Rock on the Eligible School Sites Proposal (ESSP), the Board of Education of School District No. 36 (Surrey) estimates that there will be 49,547 (54,057 including secondary suites) development units constructed in the school district over the next 10 years (Schedule 'A' – Table 2); and

THAT these 54,057 new development units will be home to an estimated 7,751 school age children (Schedule 'A' – Table 3); and

THAT the School Board expects 8 new school sites, 1 replacement site and 1 site expansion, over the ten-year period, will be required as the result of this growth in the school district and the site acquisitions will be located as presented in Schedule 'B'; and

THAT according to Ministry of Education site standards presented in Schedule 'B' these sites will require in total 40.2 hectares (approx. 99.34 acres). These sites should be purchased within ten years and serviced land cost is estimated at \$447,000,000; and

THAT the Eligible School Sites Proposal be forwarded to Local Governments for acceptance.

Eligible School Site Proposal - 2023/24 Capital Plan



SCHEDULE 'B' Capital Projects Requiring New Sites

ELIGIBLE SCHOOL SITES (General Location, Size and Estimated Serviced Land Cost)

School Site # Basis of Costs Type of Project Grade Level	#013 Estimate		#220 Estimate		#222 Estimate		#016 Estimate		Estimate		Estimate		#001 Estimate		TOTALS						
	New	Elementary	New	Elementary	New	Elementary	New	Elementary	New	Elementary	New	Elementary	New	Elementary		Replacement Elementary					
General Location	Clayton		Anniedale/ Tymehead West		Fleethood Area		Grandview Heights		South Port Kells		Abbey Ridge		Pacific/ Sunnyside Heights		2nd Grandivew Secondary		East Newton Secondary		Hjorth Road Elementary		Total Estimates
Existing Capacity	190		0		0		0		0		0		0		0		0		245		435
Long Term Capacity	635		605		390		605		1200		380		655		1200		1200		655		7525
Increase in Capacity	445		605		390		605		1200		380		655		1200		1200		410		7090
Standard Site Size (ha)	3.3		3.3		3.3		3.3		6.3		3.3		3.3		6.3		6.3		3.3		42.0
Existing Site Area (ha)	0		0		0		0		0		0		0		0		0		1.88		1.9
Size of New Site (ha)	4.0		3.3		2.3		4.00		6.0		2.3		3.3		6.0		6.0		3.0		40.2
Land Cost/ha	\$15,825,000		\$15,212,121		\$16,052,174		\$7,000,000		\$6,166,667		\$12,347,826		\$14,818,182		\$9,880,000		\$12,500,000		\$6,666,667		\$11,119,403
Estimated Cost of Land	\$63,300,000		\$50,200,000		\$36,920,000		\$28,000,000		\$37,000,000		\$28,400,000		\$48,900,000		\$59,280,000		\$75,000,000		\$20,000,000		\$447,000,000

Total proposed acquisition sites (Eligible School Sites) = 10 (proposed acquisitions, including 1 site expansion, 1 replacement, 5 new elementary school sites and 3 secondary school site).

Source: Capital Plan, 2023/2024 Report: June 2022, Cushman & Wakefield