



# **Corporate** NO: C012

# **Report** COUNCIL DATE: *October 30, 2000*

<b>COUNCIL-IN-COMMITTEE</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>October 26, 2000</b>
FROM:	<b>General Manager, Planning &amp; Development</b>	FILE:	<b>0547-001</b>
SUBJECT:	<b>Surrey School Board Resolution: Eligible School Sites Proposal</b>		

## **RECOMMENDATION**

It is recommended that Council:

1. Receive this report as information on the background, process and status of Bill 35 – The Education Statutes Amendment Act;
2. Accept the Surrey School Board resolution on the Eligible School Sites Proposal; and
3. Accept the Surrey School Board resolution subject to agreement by the School District that, prior to School Board approval of the School Site Acquisition Charge by-law, the School District will consult with the City of Surrey on the final calculation of the School Site Acquisition Charge, and that the School District and the City will enter into an agreement on the administration of the School Site Acquisition Charge.

## **INTENT**

The purpose of this report is to update Council on the process of Bill 35 implementation, and to forward for Council consideration a Surrey School Board resolution on the Eligible School Sites Proposal. The purpose of the School Board resolution is to confirm, with the City of Surrey, the projected housing development, proposed school site needs and site acquisition costs over the next 10 year period (2001-2010). See Appendix A for a copy of School Board resolution.

The subject resolution does not directly address the School Site Acquisition Charge (SSAC) by-law. The School District will use the information in this resolution to draft the School Site Acquisition Charge by-law. It is anticipated that the Surrey School Board will approve the SSAC by-law around June 2001.

Under the requirements of Bill 35, the School District is requesting that Council either pass a resolution to accept the School District resolution on the Eligible School Sites Proposal, or to respond in writing to the School board indicating that it does not accept the proposal.

## BACKGROUND

On July 28, 1998 the Provincial government passed Bill 35 - The Education Statutes Act, 1998. This Act amended both the Municipal Act (Local Government Act) and the School Act to require that School Boards and local governments work together in planning for new schools, and in administering development charges to assist funding for new school sites. The stated intent of the legislation is to assist school districts to acquire school sites earlier and to obtain choice sites at more affordable prices.

## DISCUSSION

The Local Government Act (Section 937.4) establishes a process for a school district, local government and the Ministry of Education to follow in planning for new schools and in preparing the SSAC by-law. The chart on the following page shows the 14 steps in the process and the roles of the 3 parties.

The Surrey School District process is presently at Step 7. The following is a description of the process to date and a summary of the next steps in the process of setting the School Site Acquisition Charge.

**Step 1.** In April 2000, the Engineering Department, Real Estate Division, provided current land value estimates to the School District. In June 2000, the Planning and Development Department provided 10 year projections (2000-2010) for Surrey's residential development based on Surrey's Official Community Plan.

**Steps 2. and 3.** School District staff calculated the projected growth in the number of school age children and the corresponding number of schools and school sites required. School site requirements include the number, location and cost of new schools sites required over the 10 year period.

**Step 4.** In a letter dated August 8, 2000, the School District requested that the City of Surrey to review the residential growth projections, School District calculations of the projected number of school aged children, calculations of the size and number of school sites required, and the approximate land value estimates for school sites as included in attachments to the letter.

On August 29, 2000 the Planning and Development Department advised the School District that the residential growth projections and land value estimates provided by the City were based on the best information available, and that the Planning and Development Department assumes the School District estimates of school age children and school site requirements are reasonable based on standards established by the School District.



**Step 5.** On August 24, 2000, a representative of the School District met with Surrey's Development Advisory Committee to discuss issues surrounding Bill 35 and to present the Eligible School Sites Proposal. The committee members expressed strong concerns regarding the application of a new development charge, particularly in the current poor provincial economy.

**Step 6.** On August 31, 2000, the Board of School Trustees of the School District approved a resolution adopting the Eligible School Sites Proposal (See Appendix A for a copy of the resolution and the Eligible School Sites Proposal). To summarize, the resolution contains 6 points in which the School District:

1. Estimates residential development of 37,826 housing units over the next 10 years (projection provided by Surrey Planning and Development Department).
2. Estimates an increase of 16,036 school aged children (School District #36).
3. Estimates that 20 new school sites will be required over the next 10 years.
4. Estimates that the 20 new school sites will require 55.31 hectares of land costing approximately \$46,575,800.
5. Expects that 4,060 students will be accommodated in existing school facilities, requiring the expansion of 23 existing schools.
6. Recommends that the School Site Acquisition Plan be approved, and the 5 Year Capital Budget, 2001-2005, be amended to include acquisition priorities.

**Step 7.** On September 6, 2000, the School District sent a copy of the School Board resolution to the City of Surrey for consideration. Pursuant to the Education Statutes Act, local governments have 60 days to either:

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

If the City does not respond within 60 days, the legislation states that the local government is deemed to have accepted the proposal.

**Step 8.** If the City of Surrey does not accept the School Board resolution, the City must specify in writing the reasons for refusal. The City and School District must then attempt to resolve their stated differences. If the City and the School District cannot reach agreement on the Eligible School Sites proposal, the Minister of Education will appoint a facilitator to assist the parties to reach agreement. If the facilitator cannot assist an agreement, the facilitator will make recommendations to the Ministry of Education and Ministry of Municipal Affairs. The Ministry of Education will make a final determination on the Eligible School Sites proposal.

**Steps 9/10.** If the City of Surrey accepts the School District resolution, or based on the facilitator's recommendation and Ministry decision, the School District will proceed with a Capital Plan for submission to the Ministry of Education. The Capital Plan includes the Eligible School Sites Proposal as well as estimates of the revenue expected from the School Site Acquisition Charge. The School District will maintain informal discussions with the City during this process.

**Steps 11/12.** The Ministry informs the School District of the approved capital projects (during or before April 2001). This may require some modification of the original Eligible School Sites Proposal, and the School District may request local government's advice on school needs modifications. The School District has 60 days to draft the SSAC by-law.

**Step 13.** The School Board adopts the SSAC by-law as specified under Section 937.5 of the Local Government Act (likely to occur during or before June 2001).

**Step 14.** The Local Government Act (937.5(4)) establishes that the SSAC does not come into effect until 60 days after the day on which the bylaw setting the charge is adopted by the School Board (the grace period is expected to end during September-October 2001). The Act also includes a transitional grace period of 12 months for applicable subdivision and building permit applications that are in-process at the time of SSAC by-law adoption.

### Proposed School Sites

The School District resolution establishes a 10 year estimate of residential growth, school needs and school site acquisition costs. This process is consistent with the School District's past practice and methods of planning for new school sites and preparing a Capital Plan.

The School District estimates an increase of about 16,000 students over the next 10 years. There is capacity for about 4,000 students in the existing school facilities and the remaining 12,000 students will require 20 new school facilities/sites. The previous School District 1999 Capital Plan included 17 of the 20 school sites proposed in the current resolution. The attached Appendix B shows the general locations and priority rankings for proposed new school sites.

The locations of the proposed sites are consistent with Surrey's Official Community Plan, the adopted NCPs and the expected pattern of growth over the next 10 years.

### Preliminary Estimates of School Site Acquisition Charges

Although the current resolution does not directly address the SSAC by-law, the School District has preliminary calculations of the SSAC. The School Site Acquisition Charge Regulation, which was established by the Ministry of Education and which became effective January 28, 2000, establishes a method of allocating the SSAC based on the density of development. Higher density housing will have fewer children per unit than low density housing and therefore pay a lower rate per unit. Lower density housing, such as single family dwellings, yield a larger number of children per unit and will pay a higher rate.

### Preliminary Estimates of the SSAC

Development Density (Units per hectare)	Preliminary SSAC Calculation
200 or more up (RM-135, RM-150 apartments)	\$330
126-200 up (RM-70 apartments)	\$380
51-125 uph (RM-30, RM-45 apartments)	\$435
21-50 uph (RM-15 – townhousing)	\$490
Less than 21 uph (single family lots)	\$545

The maximum charge allowed under the School Site Acquisition Charge Regulation is \$1,000 per unit. The preliminary SSAC estimates range from approximately \$330 per unit for high density housing to \$550 per unit for single family housing. These preliminary estimates will be probably adjusted marginally following the Ministry of Education's evaluation and approval of the 2000 Capital Plan, and will be included in the SSAC by-law.

### Implementing the SSAC By-law

The SSAC by-law will be adopted by the School Board, and does not require local government acceptance. The Local Government Act 937.7 holds that applicable subdivision approvals or building permits cannot be issued until the conditions of the SSAC are met. Conditions include payment of the SSAC, land dedication or security for payment.

Once the SSAC by-law is in effect, local government must administer collection of SSAC's, requiring the City to establish new administrative procedures. The School Site Acquisition Charge Regulations provide for local governments to retain from money collected an administration fee of \$2,000 per school year in addition to 0.1% of the SSAC collected, as well as reimbursement for expenses incurred for land dedication transactions. The Regulations add that provisions for administrative fees and reimbursements apply unless a School Board and local government agree otherwise.

The City has not established the administrative procedures for implementing the SSAC. Therefore, as this is a new administrative process, it would be prudent for the City to assess the administrative consequences of the SSAC, and, prior to SSAC by-law adoption, to enter into an agreement with the School District on the administration of School Site Acquisition Charges. The School District has agreed that prior to the School Board adopting the SSAC by-law (i.e. between Steps 12 and 13 as previously referenced), they will further consult with the City regarding the finalized SSAC charges for the different housing categories and will structure an agreement with the City regarding the administration of the SSAC by-law including appropriate cost recovery fees for the City. Staff will forward a report to Council regarding these matters in due course.

## CONCLUSION

The Eligible School Sites Proposal is consistent with past School District practice of preparing 10 year plans for enrolment and facilities. However, following Bill 35, the current School Board resolution on the Eligible School Sites Proposal will become the basis for the School District to calculate development charges applicable under the School Sites Acquisition Charge by-law.

In that the Provincial legislation is in place, and the current School District resolution on the Eligible School Sites Proposal is a fair estimate of residential growth and school site needs over the next 10 years, it is recommended that Council accept the School Board resolution.

However, the legislation does not establish a local government role in the SSAC by-law approval process, nor does the legislation adequately specify the procedures for local government and the School District in administering the SSAC. Therefore, Council support for the School Board resolution should be subject to agreement by the Surrey School District that, prior to School Board approval of the School Site Acquisition Charge by-law, the School District will consult with the City of Surrey on the final calculation of the School Site Acquisition Charge, and the School District and the City entering into an agreement on the administration of School Site Acquisition Charges.

If Council chooses to accept the School District resolution, the next step is for the Ministry of Education to evaluate and approve the School District's 2000 Capital Plan. Based on the approved 2000 Capital Plan, the

School District will finalize school site requirements and prepare a SSAC by-law, in consultation with the City of Surrey, for School Board approval – likely to occur in June 2001.

If Council chooses to reject the resolution, Section 937.4 of the Local Government Act states that the City must 'respond in writing to the School Board indicating that the City does not accept the School Board's proposed school site requirements for the school district and indicating:

- a) Each proposed eligible school site requirement to which it objects, and
- b) The reasons for the objection.

Murray D. Dinwoodie

General Manager

Planning & Development Department

TH/kms

Attachment

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