



# **Corporate** NO: R104

# **Report** COUNCIL DATE: May 7, 2001\_

## **REGULAR**

**TO: Mayor & Council**    **DATE: April 26, 2001**

**FROM: Acting General Manager,**

**Finance, Technology & HR**    **FILE: 0312-006**

**SUBJECT: Provincial Government Section 286 Levies for 2001 & 2002**

## **RECOMMENDATION**

That Council:

1. Adopt the following levies for the specified areas for 2001 and 2002:
  - a) Port Kells    \$ 17,515 per acre;

b) Fleetwood/Guildford \$ 11,756 per acre, and

2. Direct staff to pursue options to further encourage development on the parcels remaining vacant at the end of 2002.

## **INTENT**

To set Section 286 Levies for 2001 and 2002 and to direct staff to pursue further options that will encourage development on the parcels of land remaining vacant at the end of 2002.

## **DISCUSSION**

In previous years, the City and the Province of B.C. entered into loan agreements to finance residential and industrial developments in the 5 areas listed on Schedule 1. The agreements (previously Section 286 of the Municipal Act), allowed the city to service these areas using funds borrowed from the Province. Levies were collected by the City as development commenced. These revenues were then used to reduce the outstanding agreements payable. These agreements with the Province have now been fully repaid. There are only two areas remaining (Port Kells and Fleetwood/Guildford) where the entire levies have not been collected.

The Local Government Act allows the City to add an interest charge to the levies as a method of recouping the borrowing costs incurred. Over the last 16 years no interest has been added to these levies in an effort to encourage the development of the remaining vacant properties.

These areas have now been developed to the point that, most of the remaining parcels are either:

- Owned by the City of Surrey;
- Being held by the current owners for future expansion, or
- Encumbered due to existing rights-of-ways.

Some other parcels require substantial capital works before they would be permitted to build. We are therefore, recommending to Council that for 2001 and 2002 we continue to waive interest for these two remaining specified areas. However, in order to encourage the immediate development of any remaining buildable parcels, Council could consider levying the interest on those properties remaining at the end of 2002. We recommend that this option be pursued in a future report.

The attached Schedule 1 summarizes the development activity that has taken place in each of the five areas. It also illustrates the impact that adding interest to the 1998 levy would have on each per-acre levy. If the 2001 interest charge were waived, the per-acre levy would be that shown at December 31, 1998.

## **CONCLUSION**

It is recommended that the City leave the 2001 and 2002 Section 286 levies at the same level as they were in 1998. It is also recommended that Council direct staff to pursue further options to encourage the immediate development of those parcels that remain vacant at the end of 2002.

Vivienne Wilke, CGA

Acting General Manager,

Finance, Technology & HR

cc: Acting City Clerk