



# Corporate *NO: R041*

# Report *COUNCIL DATE: March 11, 2002*

<b>REGULAR COUNCIL</b>			
<b>TO:</b>	<b>Mayor &amp; Council</b>	<b>DATE:</b>	<b>March 6, 2002</b>
<b>FROM:</b>	<b>General Manager, Engineering</b>	<b>FILE:</b>	<b>5503-001 NEW: 3150-01</b>
<b>SUBJECT:</b>	<b>New DCC By-law</b>		

## RECOMMENDATION

That the new DCC by-law be brought forward.

## INTENT

To establish a new DCC rate structure and by-law.

## BACKGROUND

In September, Council approved, in principle, new DCC rates for engineering services based on the new 10 Year Servicing Plan (2001 Corporate Report R187). As outlined in this Corporate Report, the new DCC rates would be City-wide except for the Campbell Heights industrial area, which would have an area specific DCC. The highlights of the proposed changes approved by Council in September are shown in Appendix 1.

Subsequent to Council's approval in September, the following actions have occurred:

September 20 Public Information meeting on City-wide DCC.

October Data assembled on area specific DCC for Campbell Heights.

November 21 Public Information meeting on Campbell Heights area specific DCC.

### Campbell Heights DCC

A servicing plan for Campbell Heights was prepared as part of the Neighbourhood Concept Plan process. More recently, the Province funded the detailed engineering design of servicing for the area of Campbell Heights adjacent to the Provincial land holdings. This detailed design has now been used to update the servicing cost estimates in the Servicing Plan.

The concept for the Campbell Heights DCC is that it would not be based on a 10-year revolving plan, as is the case in the rest of Surrey, but would be based on the servicing needed for the full build out of the area. As it is anticipated that the City may be involved with front ending, the normal cost assist factors in the 5 to 10 percent range has been reduced to 1%, as interest costs involved with any front ending cannot be included in the DCC calculations. Based on the above factors, the DCC for Campbell Heights is \$114,238 an acre.

In December, the Province was contacted regarding the City's intention of having a combined DCC for engineering services within Campbell Heights. The response from the Province was that as part of its submission of the by-law, the City should provide opinion from the City Solicitor and the City auditors that this approach met the legal requirements of the Local Government Act and accepted accounting principle. This matter has been reviewed and both the City Solicitor and the City auditors are supporting the proposed combined DCC rate for Campbell Heights.

### Public Input

No specific public input comments were received following the public meeting on the City-wide DCC. Surrey's Development Advisory Committee had been previously involved and informed of the DCC review, and some of their input had already been incorporated in the calculation of the new DCC rates.

The Campbell Heights DCC meeting generated more interest from the property owners in Campbell Heights. Some concern was expressed at the higher DCC rate for Campbell Heights compared with the rest of Surrey, together with the different City cost assistance factor. The background to the different assist factor (as previously outlined in this report), was explained as was the need to have a special area DCC if servicing for Campbell Heights is ever to be achieved. Overall, the consensus appeared to be supportive of the DCC provided that the servicing is available in the not too distance future.

### New DCC By-law

A new DCC by-law has been prepared which is much shorter and easier to use. The new format has been reviewed through the City Solicitor's office. A copy of the rate schedule from the new by-law is attached as Appendix A.

### **Next Steps**

After three readings of the by-law, it will be forwarded to the Provincial Government. Previous experience has been that the time for approval is in the order of 2 to 3 months.

### **SUMMARY**

The new City-wide DCC rates are a minor adjustment, primarily downwards, to existing DCC's. The new Campbell Heights DCC represents a mechanism to assist the City in servicing this last major unserved and undeveloped industrial area in Surrey. In accordance with Provincial guidelines, public meetings have been

held on the new DCC's and it is now in order for the new by-law to be brought forward.

Paul Ham, P. Eng.

General Manager, Engineering

PH:brb

Attachment

g:\2002\support services\02120833ph.doc

BRB 3/11/02 1:30

## APPENDIX 1

### Highlights of Proposed Changes for New By-law

The proposed update of the DCC By-law is an update of the engineering DCCs, which also includes the following changes:

- lowering the DCC for small lots for all engineering services, recognizing likely reduced household size and reduced impacts;
  - household size taken as 3.0 persons, compared to the Surrey-wide average of 3.3;
- increasing the municipal assist factor from 5% to 10% for drainage, reflecting that drainage is now utility funded;
  - all other utility funded services (i.e., sewer and water) provide a 10% assist factor;
- eliminating the secondary suite DCC (previously charged equivalent to an apartment unit);
  - under the Local Government Act, developments that create 3 units or less are exempt from DCCs. Consequently any suite that is legalized by rezoning is exempt. The only time the City can collect secondary suite DCCs is if a property zoned for suites is subdivided. This occurs quite infrequently and very little DCC revenue is collected this way. Overall DCCs on secondary suites have proved quite contentious with minimal revenues. The elimination of secondary suite DCCs was requested to help the proposed sustainable development in East Clayton. Until such time as the 3-unit exemption under the Local Government Act is changed by the Province, it is proposed to eliminate the secondary suite DCC;
- reducing the DCCs for seniors housing and congregate care facilities to reflect the likely reduced impact on peak hour traffic and reduced household size;
  - the previous DCC By-law had no provision to recognize seniors housing;

- establishes the Campbell Heights Industrial Area as a separate Servicing Plan and DCC from the City-wide DCC program. Additionally, the DCC for Campbell Heights is an overall combined DCC for all engineering services to help facilitate development of the area.

g:\2002\support services\02120833ph.doc

BRB 3/11/02 1:30