



# Corporate

NO: R139

# Report

COUNCIL DATE: July 8, 2002

<b>REGULAR COUNCIL</b>			
TO:	<b>Mayor &amp; Council</b>	DATE:	<b>June 25, 2002</b>
FROM:	<b>General Manager, Engineering</b>	FILE:	<b>3150-01 3900-20 (14650)</b>
SUBJECT:	<b>Adjustments to New DCC By-law</b>		

## RECOMMENDATION

That the new Surrey Development Cost Charges By-law, 2002, No. 14650, be amended to incorporate the revised DCC's for Campbell Heights (see attached Schedule B).

## INTENT

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

## BACKGROUND

In March, Council approved the introduction and first three readings of a new DCC by-law. This was subsequently submitted to the Provincial Government for approval.

This new DCC by-law established two sets of industrial DCC rates, one for the Campbell Heights area and one for the rest of Surrey. The DCCs outside of Campbell Heights were based on a municipal assist factor of 5% for roads and 10% for utilities, in line with previous DCC by-laws. The DCC program of works for the area outside of Campbell Heights will also take place in the traditional manner of works being incrementally constructed and as DCC revenues are collected (i.e., funds collected one year are spent the next). However, in Campbell Heights, considerable frontending of the DCC funded services will be required to open up the area for development.

In view of the fact that recovery of interest costs on such frontending through DCCs is not allowed under the Local Government Act, the assist factors for servicing in Campbell Heights were reduced to 1% and the DCCs

calculated on this basis.

The Province has reviewed Surrey's new DCC by-law and their view is that, despite the frontending cost issue, the assist factors must be consistent across the City. Consequently, the Campbell Heights DCCs have been recalculated using the same 5% and 10% assist factors for the rest of Surrey, which reduces them from \$114,238 an acre to \$107,523 an acre.

All other DCCs remain unchanged from the by-law approved by Council in March.

### **Impact on the Utility and Capital Financial Plans**

The impact of changing the assist factor on the 5 and 10 year financial plans for the utilities and roads has been reviewed. The impact in the roads area is not significant due to timing and the lower assist factor involved. For utilities, there is more of an impact, particularly for the sewer and drainage utility; however, it is not beyond what is manageable. Part of the Province's requirement for the DCC By-law approval is that the changes in assist factor will be incorporated in the new 5 year financial plan that will be brought forward for Council's approval in the New Year.

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PH:brb/kjj

Attachment

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