

While this equivalent unit assessment was initially intended to more fairly share the cost of the works, actual practice has not proven that the extra complexity really achieves this. The frontage based assessment would mean that each development would pay for its frontage share of the service for which the latecomer agreement applies. Consequently, the frontage based approach has just as much equity plus will significantly reduce effort – both by City staff as well as the developer's consultant.

A third method of assessing benefit, area based, is and will continue to be utilized on rare occasions for extended services that provide area wide benefit such as sanitary sewer lift stations and off road trunk sewers that have no direct road frontage.

Eliminate Preliminary Latecomer Fee Assessment and Parcel Notification

The current Surrey latecomer process assesses latecomer fees twice – initially at pre construction (preliminary) stage, and again at post-construction (final) stage. Significant staff and developer's consultant time is required to prepare a detailed pre-construction estimate, and assess the benefiting areas as noted above. Furthermore, once the preliminary latecomer assessment is complete, the developer's consultant is required to provide written notice to all registered property owners in the benefiting area and copy the City, and staff note each preliminary fee on the City property records. Then once the works are complete, staff reassess the final fees based on the actual construction cost and benefit assessment and adjust the notices on the property records. Although most projects do proceed, occasionally the works are never constructed and the latecomer agreement must be canceled and the charges removed from the property roll. Canceled latecomers accounted for 31 of the 935 total to date.

There is nothing in the Local Government Act/Municipal Charter that requires this preliminary assessment, nor benefiting parcel notification. Again, to provide significant efficiency gain, it is recommended that preliminary latecomer fee assessment and parcel notification process be eliminated, and simply finalize and assess the latecomer fees only once – upon substantial completion of the work.

Implement Additional Streamlining

There are a number of additional administrative changes to the latecomer process that could offer further efficiency gain and/or service improvements to the development industry.

If Council supports the elimination of the preliminary latecomer process as recommended above, staff are proposing to utilize a simple Latecomer Term Sheet to manage the pre-construction aspects of the process. The term sheet would require minimal effort to confirm the extent of the latecomer works as well as eligible benefiting frontage. The term sheet would then be the precursor to the formal latecomer agreement which would only be drafted after substantial completion of the works (assuming the works are actually constructed, and the final costs exceed the minimum cost recovery threshold as recommended above).

Staff are also proposing to restructure the latecomer term sheet and agreements to accommodate multiple latecomer components of a single project within a single document. At present, developers must enter separate road, water, sewer and drainage latecomers (and pay multiple administrative fees accordingly). Staff also plan to increase the reimbursement frequency from annually (anniversary date) to twice annually (every 6 months) to speed up the cost recovery/cash flow back to the front-ending developer. The application fees for latecomers will also be reviewed, and may be reduced to reflect the reduced administrative effort required with the revised, streamlined process.

CONCLUSION

Latecomer agreement administration is a significant (and growing) component of Surrey's land development engineering process and changes are long overdue. Fundamental changes are proposed in three areas:

1. Assess Benefit on Frontage Basis for All Services
2. Eliminate Preliminary Latecomer and Benefiting Parcel Notification Process
3. Additional streamlining (i.e., combine multiple services on one agreement, etc.)

These changes, together with additional miscellaneous administrative improvements, collectively offer significant process streamlining and efficiency gains of up to 35% externally, which will reduce developer's consultant fees, and up to 50% internally which, in turn, will position staff to provide better customer service and reduce processing timelines of the overall land development process.

These proposed latecomer policy changes were presented to the Development Advisory Committee (DAC) at their March 25, 2004 meeting. The DAC was very supportive of all the proposed changes and felt the streamlined business processes were much more efficient and would benefit the development industry significantly.

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