



Corporate Report

NO: R005

COUNCIL DATE: FEBRUARY 12, 2007

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **February 7, 2007**

FROM: **General Manager, Engineering**

FILE: **3150-01**

SUBJECT: **City Centre DCCs & Development – Status Update**

RECOMMENDATION

The Engineering and Planning & Development Departments recommend that Council receive this report as information.

INTENT

To update Council on the status of City Centre DCCs and development within the City Centre area.

BACKGROUND TO DCC REDUCTION

In 2003, as part of the Whalley/City Centre Enhancement Strategy, Council authorized staff to pursue an additional reduction in residential DCCs in the City Centre. This additional reduction was over and above the already existing lower rates for residential development in the City Centre (compared to the remainder of the City) to spur residential development which had been slow up to this time. This additional reduction involved an interim elimination of all park DCCs in the City Centre.

After some discussion with Provincial Government officials, who have to approve DCC By-laws, their approval was gained for a time limited, two-year pilot project of reduced park DCCs, within the framework of the City's overall DCC By-law. This reduction, which was in the range of 50 to 60% (depending on the exact multi-family land use), became effective in September 2003.

Status of Development Applications

Since DCCs were lowered in 2003, the following building permit/development applications have proceeded:

| | |
|---|--------------------|
| Building permits issued for 10 buildings | 855 units |
| Four projects actively seeking building permits | 218 units |
| 13 projects in various stages, likely to get building permit by June 2007 | <u>1,346 units</u> |
| Total | 2,419 units |
| Units constructed in previous 7 years before 2003 | 294 units |

In addition to the above projects, there are a number of development applications that are “in-stream” and for which building permits will be issued in the near future.

Current Status of Development Cost Charges

In line with the Provincial conditions of approval for the ‘pilot program’ DCC reduction, the DCC By-law approved in June 2006 by Council eliminates the temporary reduction and reverts the City Centre residential DCCs back to their relative position in comparison to the remainder of the City prior to September 2003. However, in-stream development applications will have until June 2007 to complete their building permits in order to qualify for the old rates. Multi-family residential City Centre DCCs, under the new DCC By-law, are still in the range of 20 to 33% lower than other areas of Surrey. This lower rate is in recognition of the better transit availability and reduced neighbourhood park acquisition needs in City Centre. The current rate structure reflects Provincial DCC guidelines which require DCCs to reflect costs of services, and which do not allow one area to subsidize another.

CONCLUSION

The reduced DCCs in City Centre, combined with increased demand and cost for housing since 2003, has provided a “jump start” to residential development activity in the City Centre. In accordance with the time-limited approval of the special reduction in DCCs, the City Centre residential DCCs have reverted to relative previous levels in the new DCC By-law. Staff will continue to monitor levels of development activity and report back as necessary.

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