



Corporate Report

NO: R012

COUNCIL DATE: February 11, 2008

REGULAR COUNCIL

TO: Mayor & Council DATE: February 7, 2008
FROM: General Manager, Engineering FILE: 3150-01
SUBJECT: Implementation Date for New Development Cost Charges (DCCs)

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Rescind third reading of By-law No. 16494;
2. Amend By-law No. 16494 as documented in Appendix 1, which will provide for the DCC rates contained in that By-law to take effect on March 15, 2008;
3. Grant third reading to By-law No. 16494, as amended; and
4. Authorize staff to forward the amended By-law to the Province for approval.

INTENT

As a result of the continuing escalation in construction costs, it is expected that the City will be faced with making annual adjustments to the rates contained within the Development Cost Charge (DCC) By-laws. In an effort to provide the development industry with a period of notice in advance of DCC increases, staff have determined that it would be reasonable to establish a specific date when DCC by-law amendments and associated rate changes will take effect in future years.

BACKGROUND

The process of increasing the City's DCC rates invariably brings with it an increase in the number of development applications received by the City. This relates to the "grace period" that the City has typically provided to "in stream" applications when the By-law introducing the new DCC rates is adopted. In stream applications qualify for the old

lower DCC rates for some period of time after by-law adoption, which brings the new rates into effect for new applications. This rush of applications places a strain on the development industry, consultants and City staff alike.

In an effort to reduce the burden on all parties, it is considered reasonable for the City to standardize the date during each year when DCC By-law rate amendments will be adopted and become effective. Standardization of the effective date (i.e., date of by-law adoption) in relation to new DCC rates should allow the development industry to better coordinate and prepare development submissions well in advance of any proposed new rates. By standardizing the effective date and making it the same from year to year will, in effect, provide for a built-in “grace period”. This will reduce the rush of applications received immediately before new DCC rates come into effect.

It has been determined that a mid-March date is the most effective for introducing new DCC rates based on staff availability and typical workload cycles. Consequently, staff propose to undertake an annual review of the DCC rates such that by-law adoption of new DCC rates will occur consistently from year to year on March 15th.

Based on an effective date of March 15, internal activities to prepare for a new DCC By-law in 2009 are scheduled as follows:

Issue Draft 10-Year Servicing Plan, and Draft DCC Rates	October, 2008
Initiate Public and Industry Consultation, and finalize 10-Year Servicing Plan and DCC Rates	November, 2008
Submit DCC By-law to Council for first 3 readings	December, 2008
Submit DCC By-law to Province for Approval	December, 2008
Submit DCC By-law to Council for final reading	February, 2009
Effective Date of 2009 DCC By-law	March 15, 2009

2008 DCC Rate Adjustments

The 2008 DCC rate adjustment process is almost completed with Council having given three readings to the related by-law, No. 16494, and with the By-law having been forwarded to the Province for approval. The development industry has been informed that subject to Provincial approval, By-law No. 16494 will be adopted on February 25, 2008 and the new DCC rates will take effect the next day. However, given the above explanation in relation to standardizing the date on which annual DCC rate adjustments will take effect, staff is now recommending that By-law No. 16494 be amended to include an effective date for the new DCC rates in 2008 of March 15, 2008.

CONCLUSION

Based the above discussion, it is recommended that Council:

- Rescind third reading of By-law No. 16494;
- Amend By-law No. 16494 as documented in Appendix 1, which will provide for the DCC rates contained in that By-law to take effect on March 15, 2008;
- Grant third reading to By-law No. 16494, as amended; and
- Authorize staff to forward the amended By-law to the Province for approval.

The Province has indicated that they will work toward providing approval so that the By-law can be adopted to meet our March 15, 2008 effective date.

Paul Ham, P.Eng.
General Manager, Engineering

PH/VL/JA/brb:kd

c.c. - General Manager, Planning & Development
- General Manager, Parks, Recreation & Culture

Appendix 1 - Summary of By-law Amendments

Summary of By-law Amendments

Is proposed that the By-law be amended as follows:

1. Added Definition of:

Effective Date means the date on which this by-law comes into force, which is established as March 15, 2008.

2. Add Section:

8. This by-law will come into force on the Effective Date.

3. Correct typographical error from 2007 to 2006 as underlined below:

Surrey Development Cost Charge By-law, 2006, No. 15973 and all amendments thereto, is hereby repealed except in the case of applications for subdivision of land that are in-stream on the Effective Date and which are completed within one year of the Effective Date, in which case Surrey Development Cost Charge By-law, 2006, No 15973, as amended, shall apply. Surrey Development Cost Charge By-law, 2006, No. 15973, as amended, shall be wholly repealed one year from the Effective Date.

4. Clarifications in header and footnote J for Schedule A.