

the report, Council authorized staff to proceed to public consultation and forward the draft Plan and related DCC rates to the Ministry of Community and Rural Development for preliminary review.

DISCUSSION

On December 14, 2009, Council considered Corporate Report No. R231 that presented the new draft 10-Year (2010-2019) Servicing Plan and related draft DCC rates. The report also provided background information about the principles that formed the basis for the update to the Plan and DCC rates. Since that time public consultation has taken place and the 10-Year (2010-2019) Servicing Plan and DCC rate calculations have been refined to a final form, which have resulted in a slight change (by no more than 0.1%) to some DCC rates previously presented.

Public Consultation

The public consultation process associated with the update of the 10-Year Servicing Plan and the DCC rates has consisted of meetings with the City's Development Advisory Committee, a public open house for which advertisements were placed in the local newspapers and a DCC consultation section on the City's website.

The City received no comments from the public and support for both the proposed 10-Year Servicing Plan and the related DCC rate adjustments from the Development Advisory Committee. The Development Advisory Committee advised that a balanced and fully funded Servicing Plan is important to supporting development opportunities within the City.

New 10-Year Servicing Plan

The estimated total cost of the projects in each of the various categories that have been included in the 10-Year (2010-2019) Servicing Plan are listed in the following table:

Program	Growth Component (DCC Eligible)	Non-Growth Component	External Funding	Total
Arterial Roads	\$335,219,667	\$69,133,333	\$45,750,000	\$450,103,000
Non-Arterial Roads	\$71,630,000	\$105,250,000	\$0	\$176,880,000
Drainage	\$102,795,891	\$106,088,487	\$0	\$208,884,378
Sewer	\$81,692,000	\$54,480,000	\$5,667,000	\$141,839,000
Water	\$63,000,011	\$103,292,909	\$0	\$166,292,920
TOTAL	\$654,337,569	\$438,244,729	\$51,417,000	\$1,143,999,298

Notes: City-wide costs exclude Campbell Heights and Highway 99 Corridor Build-Out Plans

The "Non-growth component" of the costs for transportation infrastructure is funded by general revenue while utility fees fund the "non-growth component" of sewer, water, and drainage infrastructure. There is also some limited external funding that is anticipated by the Plan. The growth component is funded primarily from revenues generated through Development Cost Charges. The City assists with funding the growth component of the Plan by funding 10% of the sewer, water and drainage infrastructure projects and by funding 5% of the road infrastructure projects. The Plan also recognizes TransLink cost sharing in relation to the construction of and safety improvements to the Major Road Network.

Development Cost Charges

The proposed 10 Year (2010-2019) Servicing Plan includes more infrastructure projects than the previous 10-Year Plan contained. Despite this fact, the DCC rates will be slightly lower under the new Plan than the previous Plan due to the decrease in construction costs that has occurred over the last 18 months.

The following table provides representative examples of the current and proposed DCC rates for zones where rate changes are being proposed. The new DCC rates were developed in accordance with guidelines contained in the DCC Best Practices Guide that is published by the Ministry of Community and Rural Development.

City-Wide DCCs

Zone	TOTAL		
	Existing DCC Rate	Proposed DCC Rate	Rate Change %
SF (RF, RF-12, RFC)	\$25,875 / lot	\$25,766 / lot	-0.4%
SF Small Lot (RF-9, RF-SD)	\$22,343 / lot	\$22,340 / lot	0.0%
RM-10, RM-15 & RM-30	\$14.68 / sq. ft.	\$14.49 / sq. ft.	-1.3%
RM-45 and RM-70	\$16.31 / sq. ft.	\$16.25 / sq. ft.	-0.4%
RM-135 and RMC-150	\$13.31 / sq. ft.	\$13.27 / sq. ft.	-0.3%
RM-135 and RMC-150 (in City Centre)	\$8.92 / sq. ft.	\$8.87 / sq. ft.	-0.6%

Campbell Heights DCCs

Zone	TOTAL		
	Existing DCC Rate	Proposed DCC Rate	Rate Change %
All Zones	\$134,815 / acre	\$134,450	-0.39%

Highway 99 Corridor DCCs

Zone	TOTAL		
	Existing DCC Rate	Proposed DCC Rate	Rate Change %
All Zones	\$184,021 / acre	\$182,681 / acre	-0.7%

DCC Rates and the City's Economic Investment Action Plan

The Surrey Economic Investment Action Plan recognizes that large-scale projects (\$10 million or more in construction value) within the City Centre are important to the ongoing development of the City Centre area and to generating new jobs in Surrey. As such the Action Plan provides lower DCC rates for such projects. These lower DCC rates will continue to apply to such projects in accordance with the conditions stipulated in the City's Economic Investment Action Plan. The following tables document these DCC rates for the City Centre area:

Commercial – Ground Floor

DCC Rate	TOTAL
Ground Floor (except in City Centre)	\$9.17/ sq. ft. of building area
Ground Floor in City Centre (Significant Projects)	\$6.37
Difference (\$)	\$2.80
Difference (%)	-30.5%

Commercial – All Other Floors

DCC Rate	TOTAL
All Other Floors (except in City Centre)	\$5.29/sq. ft. of building area
All Other Floors in City Centre (Significant Projects)	\$4.05
Difference (\$)	\$1.24
Difference (%)	-23.4%

A similar City Centre DCC reduction was introduced earlier in 2009 through By-law No. 16923. However, the By-law was not brought forward for final adoption as the City was waiting for a qualified applicant to trigger its need prior to implementing the by-law. Therefore, should the proposed by-law be approved for first, second, and third readings, By-law No. 16923 should be filed.

Implementation Schedule

The following is the anticipated schedule for bringing the new DCC rates into effect:

- January 12, 2010:** 10-Year Servicing Plan and Proposed DCC Rates submitted to the Ministry of Community and Rural Development
- February, 2010:** Ministry of Community and Rural Development approves Plan and DCC Rates
- March 1, 2010:** Council gives final adoption to the DCC By-law
- March 15, 2010:** New DCC Rates take effect

Impact on the Five Year (2010-2014) Financial Plan

The Five Year (2010-2014) Capital and General Operating Financial Plans as adopted by Council are reflective of the proposed 10-Year (2010-2019) Servicing Plan.

Legal Review

This report and the related DCC By-law have been reviewed by the Legal Services Division.

SUSTAINABILITY CONSIDERATIONS

A properly developed and adequately funded 10-Year Servicing Plan will help to ensure continued development activity in the City, which will support the Economic Pillar of the Sustainability Charter, including:

- Sustainable Infrastructure Maintenance and Replacement;
- Sustainable Financial Management Practices; and
- Providing infrastructure to support and expand Surrey’s Employment Land Base.

CONCLUSION

Based on the above discussion, it is recommended that Council:

- Endorse the 10-Year (2010-2019) Servicing Plan attached as Appendix I to this report;
- Authorize the City Clerk to bring forward the Development Cost Charge By-law attached as Appendix II to this report for first, second and third readings; and
- Subject to the By-law being given the recommended readings; file Development Cost Charge Bylaw No. 16923; and authorize staff to forward the Servicing Plan and the By-law to the Provincial Ministry of Rural and Community Development for approval prior to final adoption of the By-law by Council.

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General Manager, Engineering

VL/JA/brb

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

Appendix I: 10-Year (2010-2019) Servicing Plan

Appendix II: Proposed Development Cost Charge By-law

10 Year (2010-2019) Servicing Plan

APPENDIX II

CITY OF SURREY

BY-LAW NO. XXXXX

A By-law of the City to impose development cost charges.

WHEREAS:

- A. Pursuant to Section 933 of the *Local Government Act* and the regulations passed pursuant thereto, the Council of the City of Surrey may, by by-law, impose development cost charges; and
- B. The development cost charges may be imposed for the purpose of providing funds to assist the City of Surrey in paying the capital cost of providing, constructing, altering, or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, and providing and improving park land or any of them, in order to service, directly or indirectly, the development for which the charge is being imposed.

NOW THEREFORE, the Council of the City of Surrey, in open meeting assembled, ENACTS AS FOLLOWS:

Title

1. This By-law may be cited for all purposes as "Surrey Development Cost Charge By-law, 2010, No. XXXXX".

Definitions and Interpretation

2. For the purposes of this By-law, unless the context otherwise requires:

Assisted Living Residence means a multiple-unit residential building containing 45 dwelling units per acre or greater, which is subject to a housing agreement, pursuant to Section 905 of the *Local Government Act*, between the City of Surrey and the owner of the building, but does not include not-for-profit rental housing. The housing agreement will specify that the multiple unit residential building will:

- (a) be occupied only by persons who are “Qualified Occupants”;
- (b) be registered as an “Assisted Living Residence” under the *Community Care and Assisted Living Act*, S.B.C. 2002, c. 75; and
- (c) not be strata-titled or further subdivided.

BA or Building Area means building area as defined by the total sum of all floor areas enclosed or partially enclosed by the exterior perimeter of a building or structure including without limitation stairways, elevator shafts, storage rooms, mechanical rooms and basements, and excluding areas for parking that are provided as an accessory use to the building or structure.

Building Value has the same meaning as “Building Value” as defined in Surrey Building By-law, 1987, No. 9011, as may be amended from time to time, and as calculated by the building inspector.

Campbell Heights means the area of the City of Surrey shown as Area XVII in Schedule "F" of the Surrey Zoning By-law.

City Centre means the area of the City of Surrey shown in Schedule "D1" of the Surrey Zoning By-law.

Community Charter means the *Community Charter*, S.B.C. 2003, c.26, as amended from time to time.

Completed means, in the case of a subdivision, an application for which the servicing agreement is completed and signed, zoning is in place, all applicable fees and levies are paid, all conditions of approval are fulfilled and the final plans of subdivision are ready for approval by the approving officer.

DA or Developed Area means that area of a lot containing any improvements for the accommodation of a building, accessory building, structure, storage or parking or circulation area, landscaping or any thing or device to facilitate the permitted use.

DU or Dwelling Unit means dwelling unit as defined in the Surrey Zoning By-law.

Effective Date means the date on which this by-law comes into force, which is established as March 15, 2010.

Federal and Provincial Buildings means buildings or land owned by the Provincial or Federal government for use by the Provincial or Federal Government or Crown corporations, excluding hospitals operating under Federal or Provincial legislation, located in any zone.

Highway 99 Corridor means the area of the City of Surrey shown as Area XX in Schedule "F" of the Surrey Zoning By-law.

Hospitals means hospitals as defined under the *Hospital Act*, R.S.B.C. 1996, c. 200, as amended from time to time, the *Hospital Insurance Act*, R.S.B.C. 1996, c. 204, as amended from time to time, private hospitals as defined under the *Hospital Act* and private mental hospitals as defined under the *Mental Health Act*, R.S.B.C. 1996, c. 288, as amended from time to time.

In-stream means, in the case of an application for subdivision, one for which the application form has been completed, the application fees have been paid and all required supporting documentation necessary to make the application complete have been submitted and accepted by the City as a legitimate application.

Local Government Act means *Local Government Act*, R.S.B.C. 1996, c. 323, as amended from time to time.

LA or Lot area means the total area of a lot.

Minor Change means a change to the scope of work authorized by a building permit which results in an increase of five percent (5%) or less in the cumulative total square footage of the dwelling unit of all dwelling units, the building area, the number of dwelling units within a building or on a lot, or the developed area of a lot.

Not-for-profit rental housing means a non-for-profit housing development project subject to the Memorandum of Understanding on Responding to Homelessness between the BC Housing Management Commission and the City of Surrey dated for reference March 31, 2008.

Person with Disability means a person who, in the written opinion of a medical doctor or registered psychologist, has a significant permanent disability that cannot be significantly permanently improved by medical treatment, and that produces a loss or impairment of physical or mental ability.

Qualified Occupant means:

- (a) a person who is 70 years of age or older;
- (b) a person with disability;
- (c) a person who is employed to manage the assisted living residence, provided only one dwelling unit within the assisted living residence is designated for this type of occupant; and
- (d) a person who is a companion or spouse of a person in (a), (b) or (c) herein, and resides in the same dwelling unit.

Revision Permit means a revised building permit issued by the City where the City has accepted a proposed change to the scope of work originally authorized by a building permit.

Seniors Apartments means a multiple unit residential building containing 45 dwelling units per acre or greater and where there exists a housing agreement pursuant to Section 905 of the *Local Government Act* between the City of Surrey and the owner specifying that the multiple unit residential building will be restricted to seniors, but does not include not-for-profit rental housing.

Significant Project means any application for a building permit for construction, alteration or extension of a building or structure on a commercially zoned lot located in the City Centre where the Building Value exceeds \$10 million (\$10,000,000.00).

Square footage of the DU or sq. ft. of DU means the cumulative floor area measured from the outside edge of the exterior walls or sheathing of the dwelling unit and, where applicable, the centre line of the common walls dividing the dwelling units and shall include all the internal walls within each dwelling unit excluding parking areas (to a maximum of 250 square feet per parking space), basements, crawl spaces less than or equal to 1.5 metres [5 ft.] clear height, balconies, canopies, terraces and sun decks.

Substantial change means a change to the scope of work authorized by a building permit which results in either:

- (a) an increase by more than five percent (5%) in the cumulative total square footage of the dwelling units, the building area, the number of dwelling units within a building or on a lot, or the developed area of a lot; or
- (b) a change to the zone or land use on which the development cost charges were based, as determined by the City.

Surrey Zoning By-law means Surrey Zoning By-law, 1993, No. 12000, as amended from time to time.

- 3. Words not specifically defined in this By-law shall have the same meaning as defined in Surrey Zoning By-law.
- 4. If any section, clause or phrase of this By-law is held to be invalid by a court of competent jurisdiction, the invalid portion shall be severed and the remainder of the By-law shall be deemed to have been enacted without the invalid portion.

Development Cost Charges

- 5. Every person who obtains:
 - (a) approval of a subdivision; or

- (b) a building permit authorizing the construction, alteration or extension of a building or structure including a building permit that authorizes the construction, alteration or extension of a building or part of a building that will, after the construction, alteration or extension, contain one or more self-contained dwelling units;

shall pay to the City of Surrey the development cost charge in the amounts set out in Schedule "A" of this By-law. The list of zones set out in Schedule "B" of this By-law include zones in both Surrey Zoning By-law and Surrey Zoning By-law, 1979, No. 5942, as amended ("By-law 5942"). The development cost charges payable for any zones where By-law 5942 is applicable are determined by referring to its equivalent zone in the "By-law 12000" column in Schedule "B".

6. Development cost charges shall be payable at the time specified below:

- (a) after application for a subdivision has been made, but before the final approval of the subdivision has been given, for agricultural, single family, single family with a secondary suite land use, or all zones and land uses within Campbell Heights;
- (b) for all zones and land uses within Campbell Heights whose development cost charges were not collected upon approval of the subdivision as described in clause 5(a), after application for a building permit has been made, but before the building permit has been issued; and
- (c) for all cases other than those described in clause 5(a) and clause 5(b), after application for a building permit has been made, but before the building permit has been issued.

Exemptions

7. A development cost charge is not payable if any of the following applies in relation to a development authorized by a building permit:
 - (a) the permit authorizes the construction, alteration or extension of a building or part of a building that is, or will be, after the construction, alteration or extension, exempt from taxation under Section 220(1)(h) or 224(2)(f) of the *Community Charter*;
 - (b) in the case of residential zones and land uses, the value of the work authorized by the permit does not exceed \$100,000;
 - (c) for all cases other than those described in clause 6(b), the value of the work authorized by the permit does not exceed \$50,000;
 - (d) the square footage of the DU is no larger than 312.2 ft² [29m²];
 - (e) the permit authorizes the construction, alteration or extension of a building or part of a building that is, or will be, after the construction, alteration or extension, used for not-for-profit rental housing.

Mixed Use and Comprehensive Developments

8. For mixed use developments, the development cost charge payable shall be calculated separately for each portion of the development contained in the building permit or subdivision application in accordance with the zones and land uses identified in Schedule "A". The total payable will be the sum of the development cost charges for each portion of the development.
9. Development cost charges payable for comprehensive development zones shall be calculated as specified in the applicable comprehensive development zone amendment to Surrey Zoning By-law.

Changes to Work Authorized by a Building Permit

10. If a minor change to a building permit is proposed, the development cost charges will be recalculated based on the increase in building area, developed area, or dwelling units (as applicable) using the rates in the Surrey Development Cost Charge By-law in effect at the time of issuance of the revision permit. The difference between the original development cost charge amount and the recalculated development cost charge amount shall be paid to the City prior to the issuance of the revision permit.
11. If a substantial change to a building permit is proposed, the development cost charges will be recalculated on the entire project at the rates in the Surrey Development Cost Charge By-law in effect at the time of issuance of the revision permit. The difference between the original development cost charge amount and the recalculated development cost charge amount shall be paid to the City prior to the issuance of the revision permit.

Effective Date and Transitional Provisions

12. This by-law will come into force on the Effective Date.
13. *Surrey Development Cost Charge By-law, 2007, No. 16494*, 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, 2007, No. 16494*, and all amendments thereto, shall apply. *Surrey Development Cost Charge By-law, 2007, No. 16494*, and all amendments thereto, shall be wholly repealed one year from the effective date.

PASSED FIRST AND SECOND READING by the City of Surrey Council on the

PASSED THIRD READING on the

APPROVED BY THE INSPECTOR OF MUNICIPALITIES on the

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the
Corporate Seal on the

_____MAYOR

_____CLERK

SCHEDULE "B"

LIST OF ZONES

SURREY ZONING BY-LAWS 12000 AND 5942

	Name of Zone	By-law 12000 Zone	By-law 5942 Zone
Residential Zones	General Agriculture	A-1	A-1, A-3
	Intensive Agriculture	A-2	A-2
	One-Acre Residential	RA	RS
	Acreage Residential Gross Density	RA-G	R-A(G)
	Half-Acre Residential	RH	R-1
	Half-Acre Residential Gross Density	RH-G	R-H(G)
	Single Family Residential	RF	R-F, R-F(R), R-F(F)
	Single Family Residential Secondary Suite	RF-SS	RF-SS, RFR-SS
	Single Family Residential Gross Density	RF-G	R-F(C)
	Duplex Residential	RM-D	R-F(D)
	Manufactured Home Residential	RM-M	R-F(M), CT(2)
	Multiple Residential 15	RM-15	RT-1
	Multiple Residential 30	RM-30	RM-1
	Multiple Residential 45	RM-45	RM-2
	Multiple Residential 70	RM-70	RM-3
	Multiple Residential Commercial 150	RMC-150	RM-4
	Special Care Housing 1	RMS-1	P-P, P-P(2)
	Special Care Housing 2	RMS-2	P-P, P-P(2)
Institutional Zones	Cemetery	PC	P-C
	Assembly Hall 1	PA-1	P-A
	Assembly Hall 2	PA-2	P-A

SCHEDULE "B"
LIST OF ZONES
 continued
SURREY ZONING BY-LAWS 12000 AND 5942

	Name of Zone	By-law 12000 Zone	By-law 5942 Zone
Commercial Zones	Local Commercial	C-4	C-L
	Community Commercial	C-8	C-S
	Town Centre Commercial	C-15	CR-1, CR-2, CR-3, CR-4
	Downtown Commercial	C-35	C-C
	Highway Commercial Industrial	CHI	C-H, I-S
	Self-Service Gasoline Station	CG-1	C-G(1)
	Combined Service Gasoline Station	CG-2	C-G(2), CG
	Tourist Accommodation	CTA	C-T(1), C-T(2)
	Child Care	CCR	P-P(1)
	Commercial Recreation	CPR	P-R, P-D
	Golf Course	CPG	P-R
	Marina	CPM	P-R
Industrial Zones	Business Park	IB	I-1, I-P(2), I-G, I-4
	Light Impact Industrial	IL	I-G, I-S, I-T, I-W
	High Impact Industrial	IH	I-H, I-W
	Salvage Industrial	IL	I-L(S)
	Agro-Industrial	IA	I-A
Comprehensive Development Zone	Comprehensive Development	CD	C-D

SCHEDULE "C"
Significant Projects in City Centre

1. In order to qualify for the Significant Projects in City Centre development cost charges in the amounts set out in Schedule "A" of this By-law, the following conditions must be met:
 - (a) The building permit for the construction must be issued by the City on or before December 22, 2011;
 - (b) The construction authorized by the approved building permit must be commenced on or before December 31, 2011; and
 - (c) The construction authorized by the building permit must be granted final approval by the building inspector in accordance with Surrey Building By-law, 1987, No. 9011 on or before December 31, 2013.

2. If the condition in Section 1(a) above is not met, then the Significant Projects in City Centre development cost charges will not apply and the applicable development cost charges will be calculated in accordance with the Surrey Development Cost Charge By-law then in effect.

3. If either of the conditions in Section 1(b) or 1(c) above is not met, then applicant's building permit will be cancelled and the Significant Projects in City Centre development cost charges will not apply. Any new building permit application will be subject to the rates and provisions of the Surrey Development Cost Charge By-law then in effect.