

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2019 May 15

FROM: DIRECTOR FINANCE

FILE: 71000-01

SUBJECT: REGIONAL TRANSPORTATION (TRANSLINK) DCC

PURPOSE: To provide an overview of the new Regional Transportation (TransLink) DCC and how it applies to Burnaby.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council receive this report as information.

REPORT**1.0 BACKGROUND**

The City of Burnaby has four municipal Development Cost Charges (DCCs) to fund the provision of public open space and pedestrian overpasses. In addition to Municipal DCCs, the City collects DCCs on behalf of Metro Vancouver for the Greater Vancouver Sewerage and Drainage District (GVS&DD). The GVS&DD DCC is used by Metro Vancouver to fund capital works within the GVS&DD area. Charges apply to residential developments (excluding affordable housing) and to every person who obtains approval of a Subdivision or Building Permit for works valued at over \$50,000.

While exemptions from the GVS&DD DCCs apply to places set apart for public worship, used by a religious organisation, the City receives no such exemption for work on City properties. Customer installment agreements are permitted on Municipal and GVS&DD DCCs for works where the DCC charge is valued at \$50,000 or more. A one-time \$3,000 administration fee is levied for an installment agreement. A letter of credit is required as security for the second and third installment payments.

In 2018 the City incurred GVS&DD DCC costs of \$69,000, after applicable credits for existing units, for four projects:

1. Works yard – 5780 Laurel Street
2. Storage Yard – 4049 Ledger
3. Modular Childcare Facility - 5750 Pandora Street / 350 Holdom Avenue
4. Modular Childcare Facility - 7230 Camarillo Place / 2176 Duthie Street

2.0 POLICY SECTION

Goal

- A Connected Community
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments
- A Dynamic Community
 - City facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community

3.0 NEW REGIONAL TRANSPORTATION (TRANSLINK) DCC

The South Coast British Columbia Transportation Authority DCC Bylaw, Number 124-2018, was adopted on 2018 December 06 and applies to all subdivision or building permit applications valued at over \$50,000. The purpose of the new DCC is to help fund the construction or expansion of regional transportation projects by TransLink. Authority to establish a DCC is provided to TransLink through the provisions contained within the South Coast British Columbia Transportation Authority Act, SBC 1998.

3.1 Rate Structure

DCC's charged under the new bylaw must be paid to the City before, or upon approval of a subdivision, or on issuance of a building permit.

Table 1 – Rate Schedule

Type of Development	Rates effective 2019 January 15	Rates effective 2020 January 15	Rates effective 2021 January 1
Single Family Dwelling	\$0 per Dwelling Unit	\$2,100 per Dwelling Unit	\$2,975 per Dwelling Unit
Duplex	\$0 per Dwelling Unit	\$1,900 per Dwelling Unit	\$2,470 per Dwelling Unit
Townhouse Dwelling Unit	\$0 per Dwelling Unit	\$1,900 per Dwelling Unit	\$2,470 per Dwelling Unit
Apartment Dwelling Unit	\$0 per Dwelling Unit	\$1,200 per Dwelling Unit	\$1,545 per Dwelling Unit
Retail/Service	\$0 per sq. ft. of Floor Area	\$1.25 per sq. ft. of Floor Area	\$1.25 per sq. ft. of Floor Area
Office	\$0 per sq. ft. of Floor Area	\$1.00 per sq. ft. of Floor Area	\$1.00 per sq. ft. of Floor Area
Institutional	\$0 per sq. ft. of Floor Area	\$0.50 per sq. ft. of Floor Area	\$0.50 per sq. ft. of Floor Area
Industrial	\$0 per sq. ft. of Floor Area	\$0.30 per sq. ft. of Floor Area	\$0.30 per sq. ft. of Floor Area

3.2 Timing

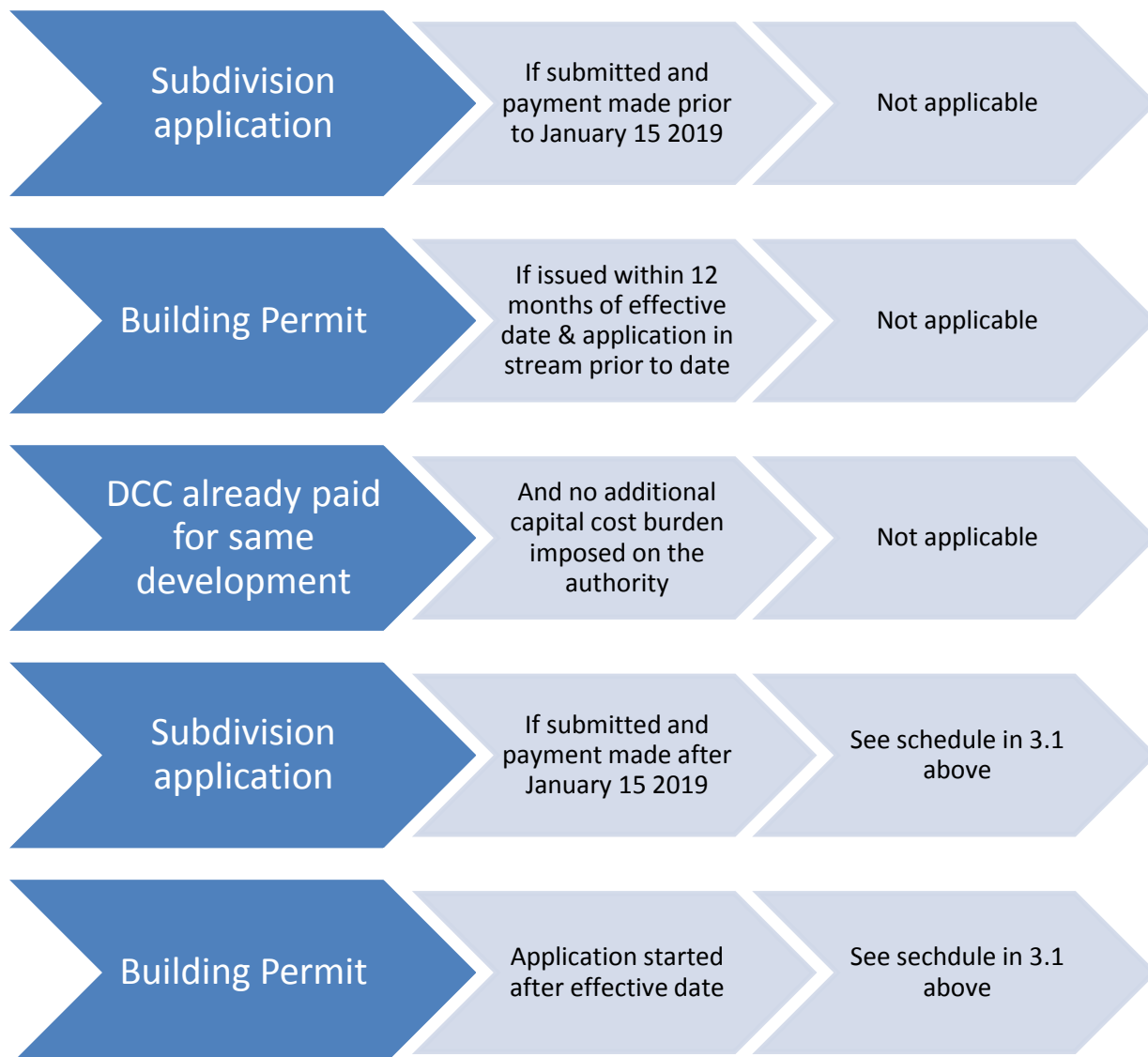
DCCs are payable to the City when municipal fees are collected, or

- If no municipal fees are being charged, then prior to Rezoning¹ and Sub Division approval or Building Permit issuance.
- If both Sub Division and Building Permit sought, then prior to Building Permit issuance.

¹City of Burnaby Requirement

3.3 Effective Date and Transition

The new DCC are being introduced under a phased approach. For 2019 the following provisions apply:



3.4 Exclusions, waivers and reductions

Works related to secondary suites are excluded from the scope of this bylaw, as are any units under 29 square metres in size, which are used exclusively for residential use. Fee waivers or reductions are permitted in two main areas:

- Not for profit affordable housing
- Not for profit student rental housing

3.5 Instalment Provision

While Section 3.(8) of the bylaw prohibits the payment of the DCC through instalments, it refers to Section 34.21 (5) of the South Coast British Columbia Transportation Authority Act, whereby under BC Regulation 166 / 84 - Development Cost Charge (Instalments) Regulation, the minister has outlined the specific details for the timing of DCC payments by a developer.

Under this regulation, a developer can make payment by means of three equal instalments, only if the charge is equal to or greater than \$50,000, unless the City has an overriding bylaw allowing lower amounts to be paid under an instalment program. This is consistent with the treatment for existing Municipal and GVS&DD DCCs, whereby the instalment threshold is set at fees payable of \$50,000 or greater. Under the regulation, the maximum time period for payment of all three instalments is two years from subdivision approval or building permit issuance.

As noted, the City will take an irrevocable letter of credit with the first instalment payment as security for the remaining instalments. The City imposes a processing fee of \$3,000 to cover all three instalment payments under the Planning & Building Fees Bylaw 2017.

4.0 COST IMPLICATIONS FOR THE CITY

Exemptions do not apply to subdivision applications or building permits taken out by the City, and therefore the City is required to pay the new Translink DCCs for City projects. Expenses related to DCCs incurred by the City will in most cases be allocated to a capital project.

The City has a number of large scale, in progress, capital projects at various stages of development, that fall within the scope of the new DCC, including:

- Burnaby Lake Aquatic and Arena Facility (CG Brown Pool)
- Replacement of Willingdon Community Centre
- Cameron Community Centre

At this time a firm indication for the financial impact of the new DCCs on city projects that are in progress is not available, pending final project design and approval. However, it is prudent for projects to contain a provision in future capital plans for potential TransLink DCCs once the estimated floor area for each is established.

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5.0 ACCOUNTING AND REMITTANCE

Remittance and reporting to TransLink is not required in 2019 in cases where the fee is \$0 or not applicable. The City will report on a twice yearly basis, starting in July 2020 for the period 2020 January 1 to June 30. Dedicated liability accounts have been setup to records funds held on account for TransLink. Staff are in the process of updating the city's permitting system to accommodate these new DCCs.

6.0 RECOMMENDATION

It is recommended that the Financial Management Committee recommend Council receive this report as information.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

NK:RR /ml

Copied to: City Manager
Director Planning and Building