

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2020 December 09

FROM: DIRECTOR ENGINEERING **FILE:** 31000-15

SUBJECT: REPEAL OF STORM EXTENSION BYLAW 2017 AND AMENDMENT OF SEWER CONNECTION BYLAW 1961

PURPOSE: To seek Council authority to repeal the *Storm Sewer Extension Contribution and Fee Bylaw 2017* and update the *Sewer Connection Bylaw 1961*.

RECOMMENDATIONS:

1. **THAT** Council authorize the City Solicitor to repeal the *Storm Sewer Extension Contribution and Fee Bylaw 2017*.
2. **THAT** Council authorize the City Solicitor to bring forward a bylaw amendment to the *Sewer Connection Bylaw 1961* and corresponding Schedule "A" as outlined in Section 3.1 of this report.
3. **THAT** Council authorize partial refunds for properties that have already paid contributions and fees under the *Storm Sewer Extension Contribution and Fee Bylaw 2017*, as outlined in Section 3.2 of this report.
4. **THAT** a copy of this report be sent to all residents who wrote in regarding this matter.

REPORT**1.0 INTRODUCTION**

The *Storm Sewer Extension Contribution and Fee Bylaw 2017* was adopted on 2017 March 06 to provide a mechanism to enable single and two-family properties to redevelop and formally connect to a City storm sewer if an existing storm system was not fronting or nearby the property. This bylaw provides an ability to distribute the costs among all benefitting single and two-family owners that decide to redevelop instead of requiring the initiating developer to pay the entire cost.

The 2017 bylaw does not apply to multi-family or commercial rezoning applications. In these scenarios, the developer is required to design and construct stormwater infrastructure to provide appropriate storm services to their property entirely at their cost as a condition of rezoning approval.

POLICY SECTION

The recommendations in this report are aligned with the City of Burnaby's Corporate Strategic Plan by supporting the following goals and sub-goals of the Plan.

Goal

- A Dynamic Community
 - o City facilities and infrastructure –
Build and maintain infrastructure that meets the needs of our growing community
- A Thriving Organization
 - o Financial viability –
Maintain a financially sustainable City for the provision, renewal and enhancement of City services, facilities and assets

2.0 DISCUSSION

Since the implementation of the 2017 bylaw some owners/developers have expressed concerns regarding the high costs associated with construction. As a result of receiving many comments regarding the affordability of the storm sewer extension program, Engineering is proposing a revised approach to support single and two-family redevelopment and also manage the costs to provide storm services in an equitable and consistent manner. This would include repealing the 2017 bylaw to allow for a consistent storm service connection fee to be applied through amendment of the *Sewer Connection Bylaw 1961*. Upon this change, staff are then able to review a refund strategy for impacted owners.

3.0 FINANCIAL IMPLICATIONS AND OPTIONS

3.1 Storm Connection Costs

Since the bylaw was adopted in 2017, the City has initiated 75 projects involving about 550 properties with an average cost (before financing costs) of \$22,000 per property. These properties are also required to pay storm service connection and inspection fees under the *Sewer Connection Bylaw 1961*.

After a thorough review and evaluation of options, a solution to making costs more affordable and equitable for owners/builders that redevelop single family properties would be a cost averaging model where the costs for storm connections throughout the entire City are shared across all properties that redevelop.

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This methodology supports a more equitable approach in that the fee amount would be consistent and apply to all single family and two-family developers whether they are located near a public storm sewer or not.

This cost averaging approach is similar to other City services such as residential garbage totter fees and water and sewer flat rates, where single family properties pay the same annual fees regardless of their property size, topography, location, and depth of service.

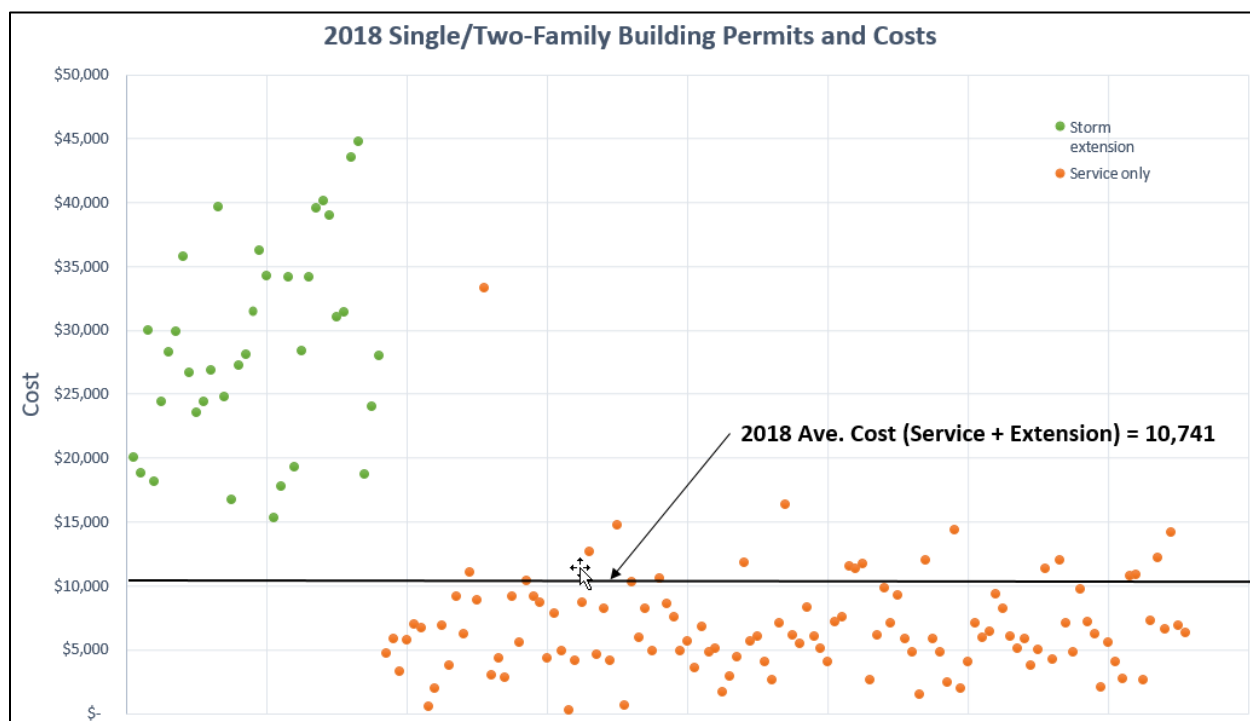


Figure 2 – Recent Storm Sewer Connection Costs (based on 2018 building permits)

Figure 2 above reflects the actual costs for storm sewer connections and extensions constructed in 2018 based on applicable building permits received. This year was utilized because new permit tracking software was implemented in 2017 and 2019 costs are not finalized yet with the time lag to receive and reconcile all final construction costs. Therefore, staff determined that 2018 would have the most complete data reflective of one full year.

In order to account for inflation, a 2% annual increase was applied to the average total cost for 2019, 2020, and 2021, bringing the average cost to \$11,398 providing a rounded 2021 fee of \$11,400.

The range in storm sewer connection costs are due to site specific issues such as length, location, and depth of each service connection. Examples of service locations near single and two-family lots are illustrated in Figure 3 and demonstrates that these connections points can vary significantly resulting in varying construction costs.

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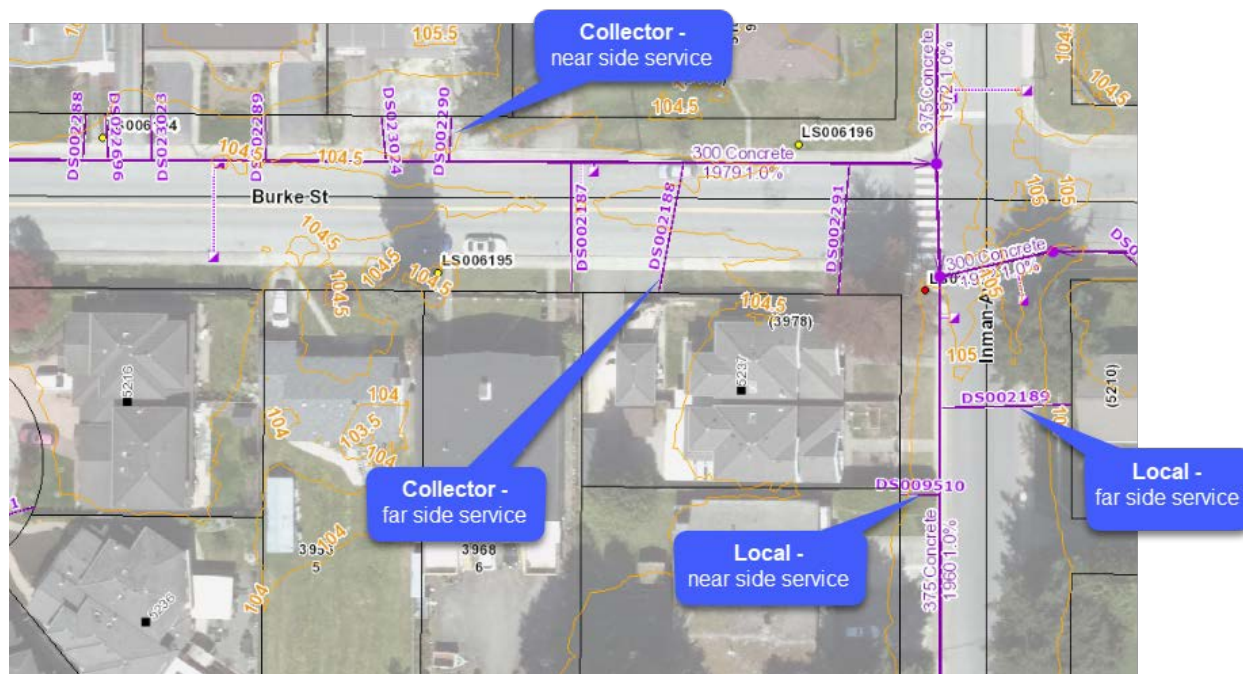


Figure 3 – Example of service locations near single and two-family lots

Schedule A of the Sewer Connection Bylaw currently indicates that service connections will be charged at cost. The proposal is for Schedule A to be updated to reflect a flat service connection cost as follows:

Amendment to Sewer Connection Bylaw 1961	2021 Fee
a) Storm Service Connection	\$11,400

The storm service connection fee is all inclusive (with the exception of application fees) and would be reviewed periodically as necessary to confirm that annual fees collected cover the costs incurred by the City to provide the service connections.

3.2 Refunds for Collected Storm Sewer Extension Contributions and Fees

If Council accepts the recommendation to repeal the existing *Storm Sewer Extension Contribution and Fee Bylaw 2017* and update the *Sewer Connection Bylaw 1961* to reflect a cost-averaging approach, the City could choose to offer partial refunds and establish criteria determining how much and who to refund.

In general, the refund would be the difference between the amount paid for the property under the current bylaw provision and the proposed fee in Schedule A of the amended *Sewer Connection Bylaw 1961*, determined through the cost averaging model outlined in this report.

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4.0 CONCLUSIONS AND RECOMMENDATIONS

Based on this cost-averaging approach, it is recommended that Council:

- Authorize the City Solicitor to repeal the *Storm Sewer Extension Contribution and Fee Bylaw 2017*;
- Bring forward an amendment to the *Sewer Connection Bylaw 1961* that will include a consistent fee applied to all single and two-family redevelopments in the City;
- Upon this approval, allow staff to notify owners who are impacted by this change. It is also recommended that a copy of this report be sent to all residents who wrote in regarding this matter; and,
- Subsequent to the amendment to the 1961 bylaw, it is then recommended that Council authorize staff to initiate a strategy to partially refund impacted properties.

This proposed approach will significantly simplify the overall administrative effort in applying redevelopment costs. It will also ensure cost recovery and improves the equity, transparency, and certainty for owners of single and two-family redevelopment while also allowing the City to manage construction costs to provide formal storm services to these properties.



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