

CITY OF BURNABY

COMMUNITY PLANNING AND HOUSING COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

RE: WORKS AND SERVICES REQUIREMENTS - R12 DISTRICTS

RECOMMENDATION:

1. *THAT* Council authorize and direct the City Solicitor to prepare and introduce the necessary bylaw amendments for works and services requirements to provide for the completion of street improvements in R12 Districts, as outlined in this report.

REPORT

The Community Planning and Housing Committee, at its meeting held on 1998 June 23, adopted the *attached* report outlining proposed works and services provisions for the completion of street improvements in R12 Residential Districts.

Respectfully submitted,

Councillor L.A. Rankin
Chairman

Councillor C. Redman
Member

Councillor J. Young
Member

<p>: COPY - CITY MANAGER - DIRECTOR ENGINEERING - DIRECTOR FINANCE - DIR. PLNG. & BLDG. - CITY SOLICITOR</p>
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-- 1998 JUNE 18

TO: CHAIR AND MEMBERS
COMMUNITY PLANNING AND HOUSING COMMITTEE

FROM: DIRECTOR PLANNING AND BUILDING OUR FILE: 16:400.6

SUBJECT: **WORKS AND SERVICES REQUIREMENTS - R12 DISTRICTS**

PURPOSE: To obtain Council authority to prepare and introduce bylaw amendments for works and services requirements in R12 Residential Districts.

RECOMMENDATION:

1. **THAT** the Committee request Council to authorize and direct the City Solicitor to prepare and introduce the necessary bylaw amendments for works and services requirements to provide for the completion of street improvements in R12 Districts, as outlined in this report.

REPORT

1.0 BACKGROUND

At its 1998 January 23 meeting, the Community Planning and Housing Committee directed staff to pursue the development of a 'works and services' approach to provide for street improvements in R12 Districts.

The issue of providing for the upgrading of 'unfinished' streets in areas being rezoned to allow for higher density single and two-family housing first arose in the R12 rezoning of the Norfolk neighbourhood. The rezoning reports for the Norfolk area referenced the Committee's on going work to develop an approach to provide for needed street improvements and its potential application to the Norfolk area and other future R12 Districts. New requests for the R12 rezoning process, in areas requiring street improvements, have been deferred pending the completion of this work.

This report outlines the application of works and services requirements to provide for the future upgrading of interim standard streets in R12 Districts.

2.0 LEGISLATIVE CONTEXT

In general, through the subdivision and/or rezoning process, the City is able to ensure that new development provides for the provision and upgrading of basic infrastructure and street improvements to required City standards.

Legislative provisions for subdivision and development requirements are largely contained in Section 938 and 940 of the Municipal Act. These sections of the Act enable the City, by bylaw, to regulate and require the provision of works and services as a condition of the approval of a subdivision, or the issuance of a building permit.

Section 938 enables the City to set the required standard for works and services associated with the subdivision and development of land. Section 940 of the Municipal Act provides for the completion of works and services at the expense of the owner of the land being subdivided or developed prior to the approval of a subdivision or the issuance of a building permit.

As an exception, approval may be given if the owner of the land deposits with the City security in the form and amount appropriate to cover the cost of the required works and services and enters into an agreement to either construct the works by a specified date, or agrees to forfeit to the City the security amount deposited.

The following outlines an approach to provide for the future provision of street improvements through the application of works and services requirements at the time of subdivision or development (issuance of a building permit) in R12 Districts.

3.0 THE PROPOSED APPROACH

Currently, new single and two-family infill residential development has not generated a requirement for street improvements adjacent to the redeveloping site. Instead, infill development has been served by the existing street improvements, with interim standard streets upgraded through a citizen initiated petition for a Local Improvement Program (LIP).

In the case of R12 Districts, however, where new growth is accommodated through an intensification of the existing single and two family development pattern, this approach will not provide for the timely provision of street improvements necessary to support the permitted higher density residential redevelopment. As R12 Residential Districts redevelop, it will become increasingly necessary to upgrade interim standard streets in R12 Districts to create more attractive, safe, and pedestrian-friendly neighbourhoods.

As such, it is proposed that the City establish works and services requirements for R12 Districts to be met at the time of redevelopment to provide for future upgrading of adjacent interim standard streets. A works and services requirement would only arise where the required street improvements (curb, gutter, sidewalk, boulevard trees, street lights, paving) had not been provided previously to the appropriate standard. New development would typically meet works and services requirements, prior to the approval of a subdivision or the issuance of a building permit, through the deposit of sufficient funds with the City to cover the full cost of the required off-site street improvements.

Alternatively, where feasible and as approved by Director Engineering, the developer could undertake the construction and installation of the required works to complete both sides of the street at the time of development. This option would be considered on a case by case basis and would only be viable where the subject property had sufficient street frontage to avoid excess costs and physical constraints often associated with the piece meal construction of street improvements for smaller lots. Given the expected incremental infill development process for an R12 District, however, the City would encourage and prefer to accept the deposit of funds to cover the cost of the future provision of street improvements on a more comprehensive block by block basis.

Funds held on deposit would typically be applied to future works for the required street improvements through the Local Improvement Program (LIP). Those properties that have funds on deposit for street improvements would be exempt from future LIP processes and assessments for the types of works for which the works and services funds had been collected. The LIP could be initiated by the remaining property owners that do not have funds on deposit with the City for the required street improvements, or by Council. Properties that redevelop after the required street improvements had been completed to the full standard through the LIP process would not be required to deposit funds with the City for future works and services where the requirements had been fulfilled by the construction of the street improvements through the LIP process.

In summary, the upgrading of interim standard streets to a finished standard is necessary to support the higher density of development allowed under the R12 District to create more attractive, safe, and pedestrian-friendly neighbourhoods. As R12 Districts redevelop over time, the proposed works and services requirements would provide for the deposit of funds, at the time of redevelopment, to cover the future cost of upgrading interim streets to a finished standard through the established LIP petition process or a Council initiated LIP.

4.0 PROPOSED POLICY GUIDELINES

The introduction of works and services requirements for R12 Districts presents a number of issues for City administrative processes, development application approvals, and the provision of local street improvements. A discussion of these issues along with proposed policy guidelines is presented below.

4.1 Application Process

The introduction of works and services requirements in R12 Districts would have a minor affect on the existing application procedures for subdivision approval and the issue of a building permit. Currently, all applicable subdivision and building permit applications are referred by the receiving departments to the Engineering Department and other agencies for a review of site servicing and other development requirements. As such, only some minor text changes would be required to existing application and referral forms to reference the R12 District to initiate the review of works and services requirements.

For R12 Districts, a review of works and services requirements would be undertaken at the development application stage prior to approval of the subdivision, the issuance of a building permit in excess of \$50,000, and/or for the issuance of a building permit that would result in the creation of a new or additional dwelling unit. Once established, the works and services requirements would apply to new development in the Norfolk area and all other R12 Districts.

4.2 Review of Requirements

On receipt of the development application for an R12 District, some additional administrative, processing, and cost estimating procedures would need to be undertaken by the City Engineering Department. This would involve:

- ▶ a review of property servicing records to determine whether works and services requirements had been met previously by existing street improvements or through funds currently on deposit for the subject property.
- ▶ a site visit to the property to document and verify existing street improvements in comparison with the required finished standard.
- ▶ development of a cost estimate for outstanding street improvements required to complete the adjacent street frontage to the finished residential standard.

- ▶ a determination of whether street improvements should be provided and constructed at the time of development or whether funds should be taken on deposit to provide for future street improvements.
- ▶ receipt of funds received for deposit, and updating of records to indicate that works and services requirements have been satisfied.

4.3 Estimating Works and Services Charges

Staff have identified two alternative approaches to estimating the costs of works and services required to upgrade a street front to a complete residential standard.

The first approach is the development of an actual estimate of current construction costs based on the specific characteristics of the subject property. This approach is currently used for subdivision servicing for larger developments. The major advantage to this approach is that it reflects actual costs and is able to take into consideration individual characteristics of particular lots or streets that could either contribute to reduced or increased servicing costs such as grades, soil conditions, street width, irregular lot dimensions or other servicing factors.

The second, preferred, approach is to base works and services charges on a schedule of *average unit costs* (dollar cost per metre) for each class of work required to upgrade the adjacent street front to the centre of the road. Average unit costs would be derived from an estimate of current construction costs per linear metre of street frontage for each class of work. This average unit cost per metre for each class of work would then be applied to the adjacent street frontage of the subject property to estimate the full cost of any outstanding street improvements.

Staff are proposing to use the average unit cost approach to develop an estimate of funds to be collected to provide for future works and services. The major benefits of this approach are as follows:

- ▶ this approach will significantly reduce the amount of staff resources required to develop the cost estimate for required works and services.
- ▶ the criteria used to develop the cost estimate (a per metre cost for each class of work) will be the same for all properties in the R12 District.
- ▶ this approach will result in a similar assessment for properties of similar street frontage and servicing needs within and between R12 Districts.

- ▶ all properties undergoing redevelopment will contribute an equal share (based on street frontage) for the provision of improvements of benefit to the neighbourhood street, whether or not a particular improvement (sidewalk, street light, or street tree) is actually located adjacent to the subject property or is located across the street adjacent to a neighbouring property.
- ▶ the schedule of average unit costs can be quickly adjusted to reflect changes in market conditions and servicing costs. Typically, the schedule of average unit costs would be reviewed and updated on an annual basis.

4.4 Minimum and Maximum Assessments

In the application of average unit costs to the abutting street frontage of subject properties in R12 Districts, significant differences in the estimate of works and services costs can arise from variations in the shape and location of the lot on the street. For example, a panhandle lot or a lot located in a cul-de-sac bulb could have very limited street frontage. On the other hand, typical corner lots, or corner lots with a greater than average depth, would have significantly longer abutting street frontages for which street improvements need to be provided. In using average unit costs, these lots would receive significantly higher cost estimates for needed street improvements in comparison with a standard mid-block lot or a lot with a very limited street frontage.

A basic principle embodied in the use of average unit cost is that all developing properties should contribute on an equivalent basis for improvements of equal benefit to the neighbourhood street. In building on this principle, it is possible to compensate for lots that have irregular or atypical dimensions. For example, for lots which have limited street frontage, such as a panhandle lot or a lot located within a cul-de-sac bulb, a minimum street frontage for the application of average unit cost could be established. For corner lots with a larger abutting street frontage, the estimated costs could be reduced by a fixed percent.

Staff would propose that a minimum assessed street frontage of 9.15 metres be established based on the minimum lot width as prescribed in the zoning regulations for the R12 District. For corner lots, staff would propose that owners/developers be required to contribute 50% of assessed works and services costs for the abutting side street. On balance, this approach should ensure the collection of sufficient funds from development to provide the future street improvements, while providing for the equitable distribution of costs for neighbourhood street improvements among property owners based on lot frontage.

4.5 Estimate of Works and Services Costs

A schedule of average dollar per metre costs would be prepared by staff to calculate the funds required for deposit to complete the street improvements adjacent to a redeveloping property in a R12 District. For each class of improvement, a charge would be assessed only if the improvement was not already in place to the required 8.5 metre wide local street standard. For example, a charge would not be assessed for a redeveloping property for street lighting where the required level of street lighting had been installed previously through a Local Improvement Program (LIP) or other previous servicing.

For example, the application of a preliminary schedule of costs to a two lot R12 subdivision with a street frontage of 20 metres and no pre-existing street improvements resulted in a total estimated assessment for the deposit of funds for off-site works and services of \$6,200 per lot.

4.6 Staffing Requirements

At this time, staff do not anticipate that the introduction of works and services requirements for R12 Districts will generate specific requirements for additional staff resources.

For the most part, the works and services requirements will draw on existing procedures and practices. In addition, it is expected that the relatively small number of anticipated R12 subdivision and building permit applications can be accommodated within existing staff allocations. Also, the use of a schedule of average unit costs by type of improvement would significantly streamline the process of developing an estimate of costs for the required street improvements.

It is noted, however, that some internal staffing adjustments may become necessary as additional areas are rezoned to the R12 District, interest in redevelopment in these areas increases, or if works and services requirements are extended to other zoning districts. Should applications requiring a review of works and services requirements increase, City departments would pursue internal adjustments to meet additional processing needs.

4.7 Nature of Funds on Deposit

Funds for required future works and services would be received by the City through the completion of an agreement by the developer/property owner for the contribution of a non-refundable deposit based on the estimated costs for the specified works as identified through the completion of Appendix I, *attached*. The funds would be held

on deposit, noted by property address, for the eventual completion of the works and services for which the deposit was made. In accordance with established practice, interest would not be accumulated on the amounts noted by property address. Works and services deposits would be refunded should the development not proceed as a result of the withdrawal of the subdivision or building permit application by the applicant. A sample of this agreement to be completed by staff and signed by the property owner/developer is shown in Appendix II, *attached*.

When the works are undertaken, the amounts noted by property address would be used to fund the capital expenditures. Following the completion of the works any surplus funds would be placed in Capital Reserves. Shortfalls encountered for the specified improvements would be paid from Capital Reserves.

4.8 Relationship to Local Improvement Program (LIP)

Citizen Petition LIP

Concurrent with the establishment of a works and services requirement for R12 Districts, the existing opportunity for property owners to pursue a petition initiated LIP for the required improvements would remain in place. At any time, property owners could seek to fulfill street improvement requirements through a citizen initiated LIP. The LIP would provide for the cost sharing of improvements between the City and the property owners that have yet to redevelop and contribute to works and services.

In advance, however, of the majority willingness of the neighbourhood to provide for the required street improvements through the LIP process, individual owners would be able to redevelop on an independent basis through the deposit of funds with the City for future improvements, as outlined in this report. Properties that have funds on deposit at the time of a LIP would be excluded from the future LIP process and assessments for the subject works. The funds on deposit would be used to cover the cost of the required improvements for the contributing properties to be done at the time of the LIP works.

Council Initiated LIP

As noted above, properties that have redeveloped would have funds on deposit for the required street improvements, and would be exempt from the future LIP assessments and processes for the subject works. As such, the LIP to cost share improvements with the City would need to be initiated by the remaining property owners that have yet to redevelop.

This presents a concern in that funds for street improvements could remain on deposit for an indefinite period of time pending the successful completion of an LIP petition. As a result, there is a significant potential that the required street improvements would not be provided in a timely manner through the petition LIP process to support redeveloping R12 neighbourhoods.

To address this concern, staff are proposing the introduction of a policy for the selective use of a Council initiated LIP process. In general, a Council initiated LIP has a greater chance of success given the onus for the majority of property owners liable to be specially charged to petition Council not to proceed with it. As such, this approach would enhance the likelihood that the City could use the funds on deposit to provide for the required street improvements in a timely manner to support redeveloping of R12 neighbourhoods. At the same time, the petition LIP approach would remain available to property owners in R12 Districts to pursue street improvements at any time up to the initiation of street improvements by Council.

It is proposed that Council initiate an LIP for the required street improvements in R12 Districts, once substantial redevelopment had taken place and there is a demonstrated need for the required street improvements. As a threshold guideline, it is proposed that a Council initiated LIP be pursued on a block by block basis once the City had funds on deposit for the required street improvements from new development:

- ▶ for one-half (½) of the properties on a block;
- ▶ resulting in at least a 50% increase in dwelling units on a block

In actual application, the level of new development required to meet the threshold guideline will be significantly higher given the current mixed development pattern in R12 Districts. The development potential of R12 areas would, in part, depend on the subdivision potential of existing lots, the age and value of current residential dwellings, and the market for new R12 residential construction. In general, staff anticipate that areas rezoned to the R12 District would likely only approach the threshold level for a Council initiated LIP over a 10 to 20 year period.

4.9 Public Notification and Information

With the adoption by Council of bylaw amendments to provide for works and services requirements in R12 Districts as a condition for the approval of a subdivision or the issuance of a building permit, planning staff would undertake to notify existing property owners in current R12 Districts of:

- ▶ the anticipated works and services requirements for future development within their particular area.

- ▶ the process to provide for the required street improvements at the time of development through the deposit of funds to cover estimated costs of future improvements.
- ▶ the available process to provide for required works and services at any time with the majority agreement of neighbouring property owners through the established citizen initiated Local Improvement Program (LIP).
- ▶ the policy for the selective use of a Council initiated LIP to complete the street improvements once substantial redevelopment had occurred within an R12 District on a block by block basis.

In addition, as part of future area rezoning processes for the R12 District, staff would undertake to advise the subject neighbourhood residents and property owners of the works and services requirements and the available LIP process.

4.10 Applications in Process

Staff would suggest that the bylaw come into effect immediately following Council adoption of any required bylaw amendments to establish the works and services provisions in R12 Districts.

As an exception, it is proposed that applications for subdivision or building permit that were received by the City prior to the date of Council adoption of the bylaw amendments, and for which the application fee has been paid, be exempt from the provisions of the bylaw for a period of six (6) months after the granting of tentative approval for the subdivision or the building permit application.

For subdivision applications, tentative approval is generally given within three months of the receipt of the application. After the granting of tentative approval for

the subdivision, the applicant has a period of 90 days in which to satisfy the requirements for the subdivision. Within that 90 day period, the applicant may make application for the extension of the tentative approval for a further period of 90 days. The tentative approval, however, would lapse should the applicant fail to reapply within the 90 day period. The suggested 6 month exemption after the receipt of tentative approval for the subdivision would provide the applicant with a reasonable period of time within which to satisfy the requirements for the subdivision.

In the case of a building permit application, tentative approval is given on the acceptance of the application and fee by the Building Department. A period of six months following this would provide a more than sufficient period of time to

complete the established process for the issuance of the permit, typically a two week period, and for the applicant to satisfy requirements and to pick-up the permit. Applications in progress for R12 Districts for subdivision or building permit that are not completed within the proposed exemption time period would then become subject to the adopted works and services provisions.

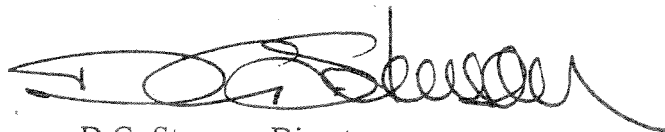
4.11 Administrative Procedures

Given Council approval of the proposed approach to provide for works and services in R12 District, staff would prepare for the necessary administrative adjustments to bring the requirements into effect immediately following final adoption of any required bylaw amendments by Council. For the most part, this would involve some minor amendments to existing referral and application forms, information sessions for staff processing R12 development applications, and the printing of additional forms for estimates and the deposit of funds.

5.0 CONCLUDING COMMENTS

With Council adoption of the recommended approach, as outlined in the report, for works and services requirements in R12 District, the City Solicitor would undertake to prepare the necessary bylaw amendments for submission to Council for first reading.

With final adoption of the proposed works and services provisions, as required, staff would undertake to monitor the administrative processes used to establish and receive contributions towards the provision of future works and services in R12 Districts. Staff will also undertake to identify other situations or areas of the City where the application of works and services requirements would prove beneficial to the future development of attractive, safe and pedestrian friendly neighbourhoods and areas in the City.



D.G. Stenson, Director
PLANNING AND BUILDING

LP\sa
Attachments(2)

- | | |
|----------------------|--------------------------|
| cc: City Manager | City Solicitor |
| Director Engineering | City Clerk |
| Director Finance | Chief Building Inspector |

Sample Form

ESTIMATE OF NON-REFUNDABLE DEPOSIT
For Future Works & Services

R12 Districts

Estimate Date: _____

Property Address: _____

Legal Description: _____

Zoning: _____

Standard: _____

Full Urban Standard for Local Residential Street

Road A: _____

(Fronting Road - 9.15 metre minimum)

Works & Services	Required	Frontage (m)	Costs \$/m	Total \$ Costs
Street, Paving, Concrete Curb & Gutter	Yes / No			
1.5m Concrete Sidewalk	Yes / No			
Boulevard Grass	Yes / No			
Boulevard Trees	Yes / No			
Street Lights	Yes / No			
Storm Sewer	Yes / No			
Lane Paving - 4.5m Width	Yes / No			
Additional Requirements: _____ _____ _____	Yes / No			
Costs of Works & Services				\$
Goods and Services Tax - 7%				\$
Road A				
Total Non-Refundable Deposit				\$
For Future Works & Services				
(Add to Road B if Applicable)				

Sample Form

**ESTIMATE OF NON-REFUNDABLE DEPOSIT
For Future Works & Services**

R12 Districts

Estimate Date: _____

Property Address: _____

Legal Description: _____

Zoning: _____

Standard: Full Urban Standard for Local Residential Street

Road B: _____

Flanking Streets (50% of Flanking Frontage)

Works & Services	Required	Frontage (m)	Costs \$/m	Total \$ Costs
Street Paving, Concrete Curb & Gutter	Yes / No			
1.5m Concrete Sidewalk	Yes / No			
Boulevard Grass	Yes / No			
Boulevard Trees	Yes / No			
Street Lights	Yes / No			
Storm Sewer	Yes / No			
Lane Paving - 4.5m width	Yes / No			
Additional Requirements _____ _____ _____	Yes / No			
Costs of Works & Services				\$
Goods and Services Tax - 7%				\$
Road B: Total Non-Refundable Deposit Future Works & Services (Add to Road A)				\$

