

CITY OF VANCOUVER

ADMINISTRATIVE REPORT



CITY OF VANCOUVER

Report Date: February 26, 2008
Author: Sarah Robin
Phone No.: 604.871.6302
RTS No.: 07226
VanRIMS No.: 11-2000-14
Meeting Date: March 11, 2008

TO: Vancouver City Council

FROM: Director of Planning in consultation with Director of Legal Services

SUBJECT: Amendment to Vancouver Development Cost Levy By-law No. 8149 and Area Specific Development Cost Levy By-law No. 9418 for South East False Creek: Community Energy Centre

RECOMMENDATION

- A. THAT the Vancouver Development Cost Levy (DCL) By-law No. 8149 be amended to provide a reduced flat rate DCL for a community energy centre of \$10.00 per Building Permit.
- B. THAT the Area Specific Development Cost Levy (DCL) By-law No. 9418 as it pertains to South East False Creek be amended to provide a reduced flat rate DCL for a community energy centre of \$10.00 per Building Permit.
- C. THAT, if Council approves Recommendations A and B, the Director of Legal Services be instructed to bring forward the necessary By-law amendments, generally as set out in Appendixes A and B.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of the foregoing.

COUNCIL POLICY

On March 21, 1989, The Vancouver Charter was amended to permit the City to charge development cost levies (DCLs) where new development contributes to the need for new parks, day care facilities, replacement affordable housing and engineering infrastructure. Since then, the City has created the Area-Specific DCL By-law which covers multiple areas within the City, and the City-Wide DCL By-law, each with its own rates and terms.

PURPOSE

The purpose of this report is to amend the Vancouver DCL By-law and Area Specific DCL By-law for the South East False Creek levy area to provide a reduced flat rate DCL for a community energy centre. Should Council approve these recommendations, draft by-law amendments are included for enactment later today (Appendixes A and B).

BACKGROUND

Section 523D of the Vancouver Charter enables Council to establish DCLs where anticipated development will contribute to the need for one or more capital projects. Capital projects may include: sewer, water, drainage and highway facilities; providing and improving park land; daycare facilities; and, replacement housing.

Under current Charter provisions a DCL payment is required for all building permits. The Engineering Department is proceeding with a building permit application for the establishment of a community energy centre in South East False Creek (SEFC), which will provide space heating and domestic hot water to all new SEFC buildings. Currently, there is no provision in either the Area-Specific DCL By-law or City-Wide DCL By-law for reducing the DCL rate for community energy centres.

DISCUSSION

DCLs are established so that anticipated development will contribute to the costs of growth. New development generates growth-related demand from new residents and employees for parks, transportation, daycare and a variety of City services and facilities. DCLs are applied to all approved floor space, pursuant to the Zoning and Development By-law, at building permit issuance.

The community energy centre proposed for SEFC is a 5,800-square foot (539-square metre) building where sewage waste heat will be captured and used to heat water. From this centre, a network of underground pipes will deliver the heated water to individual buildings in SEFC. The Centre will be located under the south end of the Cambie Bridge, north of First Avenue.

Staff analysis of growth impacts from the proposed community energy centre indicates that this use will place minimal impact on City services and facilities. The centre will have limited demand for City services and facilities because it is expected to have only 2 full time employees. The centre will provide a sustainable energy source for the SEFC neighbourhood thereby helping to serve a growing community rather than generating growth-related demands for services and facilities.

It is recommended that community energy centres be charged a reduced flat rate Vancouver DCL of \$10 per building permit and a reduced flat rate Area Specific DCL of \$10 per building permit.

FINANCIAL IMPLICATIONS

Under the existing DCL by-laws, the community energy centre proposed for SEFC would be subject to a rate of \$6 per square foot (\$64.59 per square metre) for the Vancouver DCL, and \$2.20 per square foot (\$23.68 per square metre) for the Area Specific DCL for South East False Creek. The centre would therefore be subject to a total DCL payment of \$47,560.

ENVIRONMENTAL IMPLICATIONS

The proposed community energy centre will provide energy to heat buildings in a sustainable manner in the South East False Creek neighbourhood. The centre will be integrated with a new sewage pump station, and will use sewage heat recovery as the main energy source to enable significant reductions in greenhouse gas emissions for the growing neighbourhood. This technology is similar to geo-exchange heat systems, but uses sewage in place of the ground as the thermal energy supply.

CONCLUSION

The growth-related impact from a community energy centre is minimal while the proposed centre for SEFC will serve an important role in providing energy in a sustainable manner to help meet the needs of the neighbourhood. Staff recommend a reduced flat rate of \$10 per building permit for a community energy centre, under both the Vancouver DCL By-law and Area Specific DCL By-law for South East False Creek.

* * * * *

BY-LAW NO. _____

**A By-law to amend
Vancouver Development Cost Levy By-law No. 8149
regarding community energy centres**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. This By-law amends the indicated provisions of the Vancouver Development Cost Levy By-law.
2. Council re-numbers subsections (f), (g), (h), (i), and (j) of section 3 as subsections (g), (h), (i), (j), and (k) respectively.
3. After section 3(e), Council adds:

 “(f) community energy centre, being an energy supply facility that provides heat energy in the form of hot water to buildings through a thermal distribution network that links the community energy centre with an energy transfer station in each building, and that includes separate loops for the supply and return of heat energy in the form of hot water, the levy is to be \$10.00 in respect of each building permit,”.
4. This By-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this day of , 2008

Mayor

City Clerk

BY-LAW NO. _____

**A By-law to amend
Area Specific Development Cost Levy By-law No. 9418
regarding community energy centres**

THE COUNCIL OF THE CITY OF VANCOUVER, in public meeting, enacts as follows:

1. In section 3.10 of the Area Specific Development Cost Levy By-law, Council:
 - (a) strikes out "and" from subsection (c);
 - (b) strikes out the period from the end of subsection (d), and substitutes "; and";
and
 - (c) after subsection (d), adds:
 - "(e) community energy centre, being an energy supply facility that provides heat energy in the form of hot water to buildings through a thermal distribution network that links the community energy centre with an energy transfer station in each building, and that includes separate loops for the supply and return of heat energy in the form of hot water, the levy is to be \$10.00 in respect of each building permit."
2. This By-law is to come into force and take effect on the date of its enactment.

ENACTED by Council this _____ day of _____, 2008

Mayor

City Clerk