



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: September 12, 2008  
Contact: John Evans  
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RTS No.: 07585  
VanRIMS No.: 08-2000-20  
Meeting Date: September 30, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services in consultation with the Director of Legal Services

SUBJECT: Proposed Test Hole Cost Recovery Initiative

#### *RECOMMENDATION*

- A. THAT Council approve an amendment to the Street and Traffic By-law to codify a requirement for a street use permit for drill holes, and an amendment to the Street and Traffic By-law and Engineering Services Department Permit Fees Schedule, to charge fees for plan review and inspection of test holes on City streets, as set out in this report.
- B. THAT Council request the Director of Legal Services to prepare the appropriate by-law to amend the Street and Traffic By-law generally as set out in Appendix A.

#### *GENERAL MANAGER'S COMMENTS*

The General Manager of Engineering Services RECOMMENDS approval of A and B.

#### *COUNCIL POLICY*

Council policy maintains that fees recover the full cost of providing services or are equivalent to competitive charges where the fee is of a market nature.

#### *PURPOSE*

The purpose of this report is to seek Council's approval to amend the Street and Traffic By-law, and establish a permit system and new fees that will allow the City to recover the cost of providing plan review and inspection services to companies drilling test holes on streets.

## ***BACKGROUND***

Property owners and their consultants seeking geotechnical or environmental soil contamination information regarding private property, periodically seek permission from the City to drill or excavate test holes on the adjacent streets. Permission is granted to carry out such works with the issuance of a street use permit. In satisfying the conditions for obtaining the permit, companies submit drawings to the Utilities Management Branch, who review the drawings for conflicts with underground utilities and conduct site inspections, before and after drilling operations. Currently, the City charges companies the cost to restore the street and damage to City property, plus a nominal fee for issuing the street use permit, a fee that falls short of recovering the costs incurred in providing the plan review and inspection services.

## ***DISCUSSION***

With the City's goal to manage its streets and recover all direct costs incurred in rendering services, the Engineering Services Department is recommending an amendment to the Street and Traffic By-law and to the Department's Permit Fees Schedule. There are currently no fees to recover the costs associated with staff undertaking utility checks to determine conflicts with underground utilities, or the minimum two site inspections conducted, one prior to drilling activities and the other after the restoration of the pavement/boulevard surface, to document any damage and ensure proper restoration, duties that coincide with issuing the street use permit.

In determining appropriate amounts for fees, specifically for plan review and inspection services, the proposed Street Utilities By-law serves as a template for establishing these costs. As both the drill hole permit and utility permit process are similar, patterning costs as calculated in the proposed by-law, in amounts set at a level that would be expected to recover the cost of providing the service, would be reasonable. As drill hole projects are typically dedicated to a single site of 2 to 4 holes, a \$500 per site fee, regardless of site size has been proposed. Moreover, the proposed by-law regarding street utilities includes a fee for inspection at \$65 per block per day, and as such, a fee of similar amount has been proposed for drill hole inspection fees.

## ***FINANCIAL IMPLICATIONS***

While the City is currently reimbursed for some of the costs it incurs in issuing street use permits to companies carrying out activities involving drill holes, there is not a complete recovery of costs. The proposed fees would reimburse the City and include a plan review fee in the amount of \$500 per drill hole site, and an inspection fee of \$65 per site per day.

As recovery of costs associated with drill hole operations is dependent on the level of development within the City, it inherently varies with time. The Engineering Department has noticed that the number of requests for drill hole permits have been steadily decreasing over the past several years. There were 87 permits issued in 2005, 63 in 2006, 59 in 2007, and 26 to date in 2008. Projections for the anticipated annual revenue generated from these new fees are estimated to be \$30,000, based on statistics regarding the number of permits issued in previous years, though this will vary with development activity.

***IMPLEMENTATION PLAN***

Pursuant to Council's approval of the recommendations in this report, the Engineering Department will notify those companies engaged in drill hole activities of the fee changes. The amending by-law to implement these fee changes will be prepared for Council's approval on September 30<sup>th</sup>, enactment on October 14<sup>th</sup> and subsequently in effect on January 1<sup>st</sup>, 2009.

***CONCLUSION***

With the increasing complexity of underground utilities, staff are required to perform time-consuming tasks including plan review and inspections, to ensure all activities breaching the streets are carried out in a safe and efficient manner. With Council approving the recommendations of this report, the new fees would accurately reflect those costs associated with providing these services.

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BY-LAW NO. \_\_\_\_\_

A By-law to amend Street and Traffic By-law No. 2849  
regarding test holes in streets

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

1. In the Street and Traffic By-law, after section 88, Council adds:

**"REGULATING THE DRILLING OR EXCAVATING OF TEST HOLES**

- 88A.(1) A person may apply to the City Engineer, in form prescribed by the City Engineer, for a street use permit to drill or excavate test holes in a street to obtain geotechnical or environmental soil contamination information regarding adjacent real property or to obtain other information approved by the City Engineer.
- (2) Along with the application, the applicant must submit to the City Engineer:
  - (a) drawings showing the details of each drill hole site; and
  - (b) an application fee of \$500.00 for each drill hole site referred to in the application, and an inspection fee of \$65.00 for each of two inspections of each drill hole site, the first such inspection being prior to drilling activities and the second after restoration of the pavement and boulevard surfaces.
- (3) If a drill hole site does not conflict with existing underground utilities, the City Engineer may issue a street use permit, subject to such conditions as to restoration of the pavement and boulevard surfaces of the street, repair of any damage to the street or things in the street caused by the drilling or excavation, or other matters, as the City Engineer considers necessary.
- (4) If the City Engineer conducts more than two inspections of any drill hole site, the street use permit holder must pay a further fee of \$65.00 on demand for each inspection of each site."

