



ADMINISTRATIVE REPORT

Report Date: April 29, 2009
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Meeting Date: May 19, 2009

TO: Vancouver City Council
FROM: Director of Planning
SUBJECT: Phased Large Site Rezoning Fees

RECOMMENDATION

- A. THAT Council approve reduced rezoning fees for the second and subsequent phases of developments in the circumstances set out in Appendix A.
- B. THAT Council instruct the Director of Legal Services to bring forward an amendment to the Zoning and Development Fee By-Law generally as set out in Appendix A.

GENERAL MANAGER'S COMMENTS

The General Manager of Community Services RECOMMENDS approval of recommendations A and B.

COUNCIL POLICY

There is no applicable Council Policy.

PURPOSE and SUMMARY

This report recommends an amendment to address an anomaly in the Zoning and Development Fee By-Law by reducing rezoning fees for later phases of rezoning on very large sites where prior policy work and a successful first phase rezoning reduce timelines and actual costs of subsequent phases. An example of this type of site is East Fraser Lands where rezonings following from a policy statement and official development plan (ODP) require less work than would be offset by the current fee provisions. A minor 'housekeeping' amendment to clarify the intent of section 8 of Schedule 2 of the Zoning and Development Fee By-law is also included.

BACKGROUND

The City strives for full cost recovery of actual costs through rezoning fees and related contributions for policy work on major projects, but not more.

During cost recovered policy and rezoning work on East Fraser Lands, Staff observed that future application of the Zoning and Development Fee By-Law could be expected to result in a fee substantially in excess of the anticipated full cost recovery requirement for phases subsequent to Phase I. The March 15, 2005 East Fraser Lands ODP Planning Program report to Council identified the need to consider the implications of the rezoning fee structure for future rezonings of the unusually large scale represented by East Fraser Lands, stating as follows:

“Rezoning Fees: Cost Recovery planning programs have established the principle that voluntary contributions paid to cover pre-zoning policy work would be contributed toward rezoning fees if full cost recovery is achieved, including rezoning. Initial analysis indicates that full cost recovery for the scoping, ODP and rezoning segments of the program would be achieved through the recommended budget and may be credited against ODP and rezoning fees. There is no specific fee for creating an ODP. However, if the full site is rezoned to CD-1 the Fee By-Law would currently require a fee of \$3,176,960. The ultimate objective is full cost recovery for the overall process, but not beyond that. To ensure that this objective is achieved, the Fee By-Law will be reviewed when the Phase 1 rezoning is nearing completion. This will assist staff in assessing future costs for subsequent rezoning phases. Fee By-Law amendments may be recommended.”

The above calculation predates the 53 acre Phase I rezoning. The current calculation for the three *remaining* phases is approx \$3M. By comparison Staff estimate that Phases 2, 3 and 4 would require a combined full cost recovery budget unlikely to exceed \$2M. This is considered achievable due to having completed, through cost recovered policy programs, both a Council approved policy statement and an official development plan which provide a framework for evaluating rezoning applications. The landowners have paid about \$1.8M to conduct those programs as well as complete the Phase I rezoning of 53 acres.

DISCUSSION

Very large sites typically require more policy planning, public input and rezoning work than smaller sites. Without prior policy development these are commonly complex, lengthy and controversial. However, experience in recent years shows that when policy work creates a framework for rezonings which follow in a sequence prescribed by policy conclusions, the extent of rezoning work does not escalate in direct proportion to site area. Since the Zoning and Development Fee By-Law is directly proportionate to site area there is a point at which fees exceed actual costs.

Based on experience with actual costs incurred by the Phase I rezoning at East Fraser Lands, staff believes it is now possible to project with reasonable accuracy the actual costs of subsequent East Fraser Lands phases. There are few other sites of this or similar magnitude in the City. However, it is believed that the sequence of steps, and the timelines and resources needed for them would be similar. Budgets for subsequent phases have been estimated and fee structures tested against these to provide a basis for recommending an amendment to achieve a more realistic fit.

In addition, staff have taken this opportunity to recommend a minor 'housekeeping' amendment to section 8 of Schedule 2 of the Zoning and Development Fee By-law, which relates to fees for large sites where limited changes are proposed. This is a slight re-wording to clarify the intent of this section of the By-law and involves no substantive change.

FINANCIAL IMPLICATIONS

The recommended amendment will result in full cost recovery of phased rezonings of very large sites, subsequent to a first phase linked to a policy review resulting in a Council approved policy statement or official development plan, without resulting in excessive charges to the applicants. This would provide for full cost recovery on sites comparable in scale to and including East Fraser Lands where rezonings follow in sequence after a policy (and potentially official development plan) process.

IMPLEMENTATION PLAN

The rezoning fee reduction would be implemented through enactment of an amendment to the Zoning and Development Fee By-Law.

COMMUNICATIONS PLAN

Revised fee requirements as set out in Appendix A would be communicated to prospective rezoning applicants upon enquiry to the Current Planning Division as well as being contained in the posted Zoning and Development Fee By-Law.

CONCLUSION

The Director of Planning recommends amending the Zoning and Development Fee By-law to achieve a more accurate fit between area-based rezoning fees and actual costs to be fully recovered for rezonings on very large sites where prior policy and a first phase rezoning has occurred, as shown in Appendix A. A minor 'housekeeping' amendment to clarify the intent of section 8 of Schedule 2 of the Zoning and Development Fee By-law is also proposed.

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BY-LAW NO. _____

A By-law to amend
Zoning and Development Fee By-law No. 5585
regarding reduced fees for phased sites

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

1. After Section 6 of Schedule 2 to the Zoning and Development Fee By-law, Council adds:

“Reduced Fees for Second and Subsequent Phases of Developments

6A. Despite sections 3, 4, 5, and 6 of this Schedule 2, for a site area of 40 000 m² or more, if the complexity or scope of an amendment with regard to the second or subsequent phase of a development is, in the opinion of the Director of Planning, significantly less than that of the first phase by reason of the existence of a land use policy statement or official development plan approved by Council within 10 years preceding the date of the application for the amendment, then the fee for such second or subsequent phase is to be:

*For the first 40 000 m² of site area
.....\$491,000.00*

For each additional 100 m² of site area or part thereof\$132.00”

2. Council repeals section 8 of Schedule 2 of the Zoning and Development Fee By-law, and substitutes:

“8. *Despite* sections 3(d), 4(d), 5, 6 and 7 of this schedule:

- (a) For an amendment to the Zoning District Plan to redesignate from a zoning district to a new Comprehensive Development District that is contemplated in an Official Development Plan or that is not contemplated in an Official Development Plan but relates to a site area of 40 000 m² *or more*; or
- (b) For an amendment, in terms of permitted uses and regulations, to an existing Comprehensive Development District that is contemplated in an Official Development Plan or that is not contemplated in an Official Development Plan but relates to a site area of 40 000 m² *or more*;

provided that, in the case of both subsections (a) and (b):

- (i) the approved or existing form of development is retained on at least 75% of the site area; or

