



ADMINISTRATIVE REPORT

Report Date: August 30, 2010
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VanRIMS No.: 08-2000-20
Meeting Date: October 5, 2010

TO: Vancouver City Council
FROM: Chief Building Official
SUBJECT: 3419 Worthington Drive
Extension of Development and Building Permits

RECOMMENDATION

THAT City Council approve extensions of Development and Building Permit Nos. DB429020 and DB430518 for 3419 Worthington Drive until February 7, 2011.

GENERAL MANAGER'S COMMENTS

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

COUNCIL POLICY

Article 1A.7.5.1 of the Vancouver Building By-law addresses actions the City can take when an applicant, who has received a Building Permit, is not proceeding with active work under the permit. The By-law prohibits the Chief Building Official from granting more than one extension to a Building Permit. Any further extensions can only be approved by Council.

On January 28, 2000, the interim city-wide Vancouver Development Cost Levy (DCL) By-law (No. 8149) was enacted. On November 25, 2008, the By-law was repealed and replaced by a consolidated and modernized Vancouver Development Cost Levy By-law (No. 9755). On November 3, 2009, the By-law was amended to increase the rates effective January 1, 2010. On June 24, 2010, Council approved new inflation adjusted DCL rates for all DCL areas, to be effective September 30, 2010.

PURPOSE

This report seeks Council approval for extensions of Development and Building Permits for 3419 Worthington Drive. The extension request has implications for the City's revenues from Development Cost Levies (DCLs).

BACKGROUND

Development and Building Permit Nos. DB429020 (new construction) and DB430518 (demolition) were issued August 7, 2009 for construction of a 2 storey plus cellar one family dwelling with a detached accessory building at the rear and demolition of the existing one family dwelling on the site. As work had not commenced, the applicant applied for an extension of the permits and it was approved by the Chief Building Official for a six month period, expiring August 7, 2010.

The property is located in a RS-1 One Family Dwelling District. The Manager of the Processing Centre - Development Services has no objection to this extension request.

DISCUSSION

The permit applicant is now requesting a second extension on behalf of the property owner due to financial difficulties which have caused the construction of the project to be delayed.

Prior to the wide application of Development Cost Levies (DCLs) in Vancouver, applications for Building Permit (BP) or Development and Building Permit (DB) extensions were usually approved. However, the presence of DCLs raises additional implications for BP and DB extensions. When a BP or DB is issued, the applicant is required to pay the DCL at the prevailing rate of the day. If a BP or DB is extended and the extension spans a DCL introduction or rate increase, the permit holder can not be required to pay the new or additional DCL. If a significant period of time elapses between the DCL introduction or rate increase and a project's commencement, there are impacts for the City (reduced DCL revenues with which to pay for the increased costs of growth) and the project's competitors (who must pay the prevailing DCL even if they commence work within the same time frame). For these reasons, the City considers the merit of each extension request.

In previous cases where a BP or DB extension allowed an applicant to avoid paying an increased DCL rate, staff recommended approval of extensions provided the application is made within one year of the DCL rate increase. In this case, less than one year has elapsed between the last increase to the Vancouver DCL rates and the expiry date of the last extension. The DCL amount was relatively small and a second extension would not result in significant negative impacts for City revenues or project competitors. For these reasons, staff recommend approval of the extension request for 3419 Worthington Drive.

FINANCIAL IMPLICATIONS

With respect to the project at 3419 Worthington Drive, a Development Cost Levy in the amount of \$4,963.00 has been paid (2,836 square feet @ \$1.75). If the permit is extended and work commences within the extension period, there will be no additional DCL payment required.

If Development and Building Permit No. DB429929 is not extended, the applicant would be required to submit a new application for a Development and Building Permit. The previous DCL payment could be refunded and the new application would be subject to all required permit fees plus the Development Cost Levy at the rate in effect at the time of permit issuance. At the current rate (\$2.20 per square foot), the DCL would be \$6,239.20, being an increase of \$1,276.20. At the new rate effective September 30, 2010 (\$2.43 per square foot), the DCL would be \$6,891.48, being an increase of \$1,928.48.

CONCLUSION

It is recommended that Council extend Development and Building Permit Nos. DB429020 and DB430518 for 3419 Worthington Drive until February 7, 2011, the standard six month extension period.

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