

City-wide Utilities Financing Growth Strategy & Cambie Corridor Utilities Servicing Plan



July 11th 2018

Outline

- 1. Background**
- 2. Cambie Corridor Utilities Servicing Plan**
- 3. Financing Utilities Upgrades (Development Cost Levy)**
- 4. Implementation and Recommendations**

Background

- **Tremendous growth City-wide**
+150,000 people (2041)
- **Approved Cambie Corridor Plan (May 1st)**
triggers biggest growth area outside downtown
+50,000 people (2041)
- **Significant and mandatory utility infrastructure upgrades required to enable/support City-wide growth**
~\$1B of work by 2026

Direction from May 1st Council

Develop a **Utilities Servicing Plan** and **Financing Growth Strategy** to support implementation of the Cambie Corridor Phase 3 Plan

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Cambie Corridor Plan

1

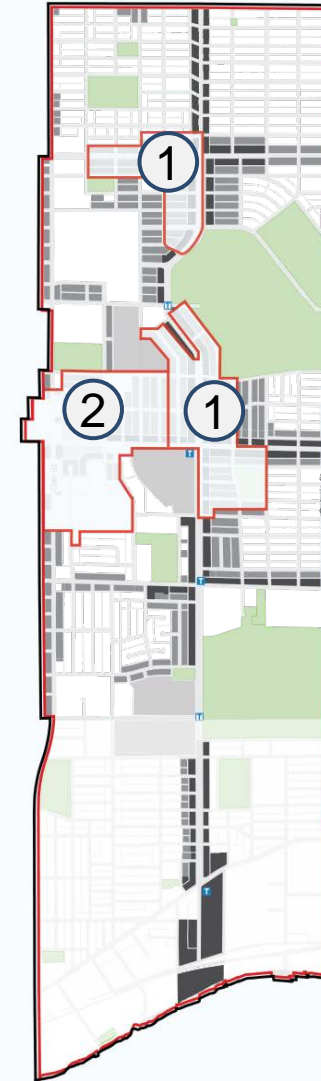
2019-2026 CAMBIE CORRIDOR PUBLIC UTILITY INFRASTRUCTURE UPGRADES WORKPLAN

2

ON-SITE RAINWATER AND GROUNDWATER MANAGEMENT REQUIREMENTS

3

LONG-TERM INTEGRATED WATER MANAGEMENT PLAN (INCLUDING GREEN INFRASTRUCTURE)



**STAGE 1
(2019-2022)**

**STAGE 2
(2023-2026)**

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Financing Utilities Upgrades

Proposed new framework

- 1. Create a City-wide Utilities Infrastructure Upgrade List (that includes Cambie Corridor Plan)**
- 2. Use a New City-wide Utilities Development Cost Levy to fund growth-related projects identified on the list**

City of Vancouver
JULY 11, 2018

CITY-WIDE UTILITIES DEVELOPMENT COST LEVY

URBAN
systems



What are DCLs?

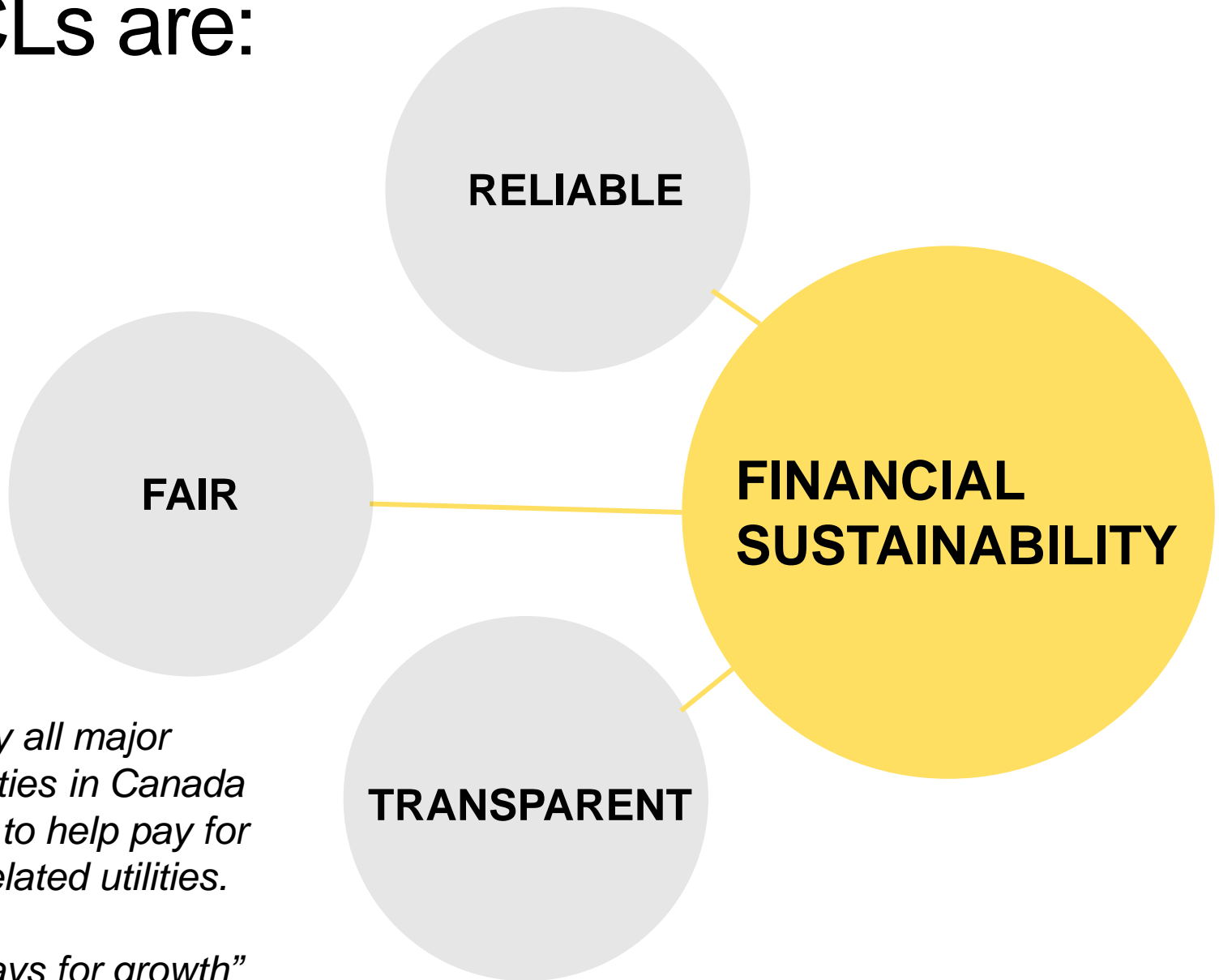
Charges imposed on development to fund growth-related capital projects



Who pays DCLs?

In general, anyone who applies for a building permit (subject to exemptions and waivers)

DCLs are:



Nearly all major municipalities in Canada use DCLs to help pay for growth-related utilities.

“Growth pays for growth”

Current City-Wide DCL for Utilities (2017)

SEWER, WATER, DRAINAGE



SPECIFIC CAPITAL PROJECTS



FULL COST RECOVERY

Only partially funded



Basic DCL Calculation (2019-2026)

**DCL PROJECT
COSTS**



GROWTH
+70,000 pop
+35,000 jobs



DCL RATE

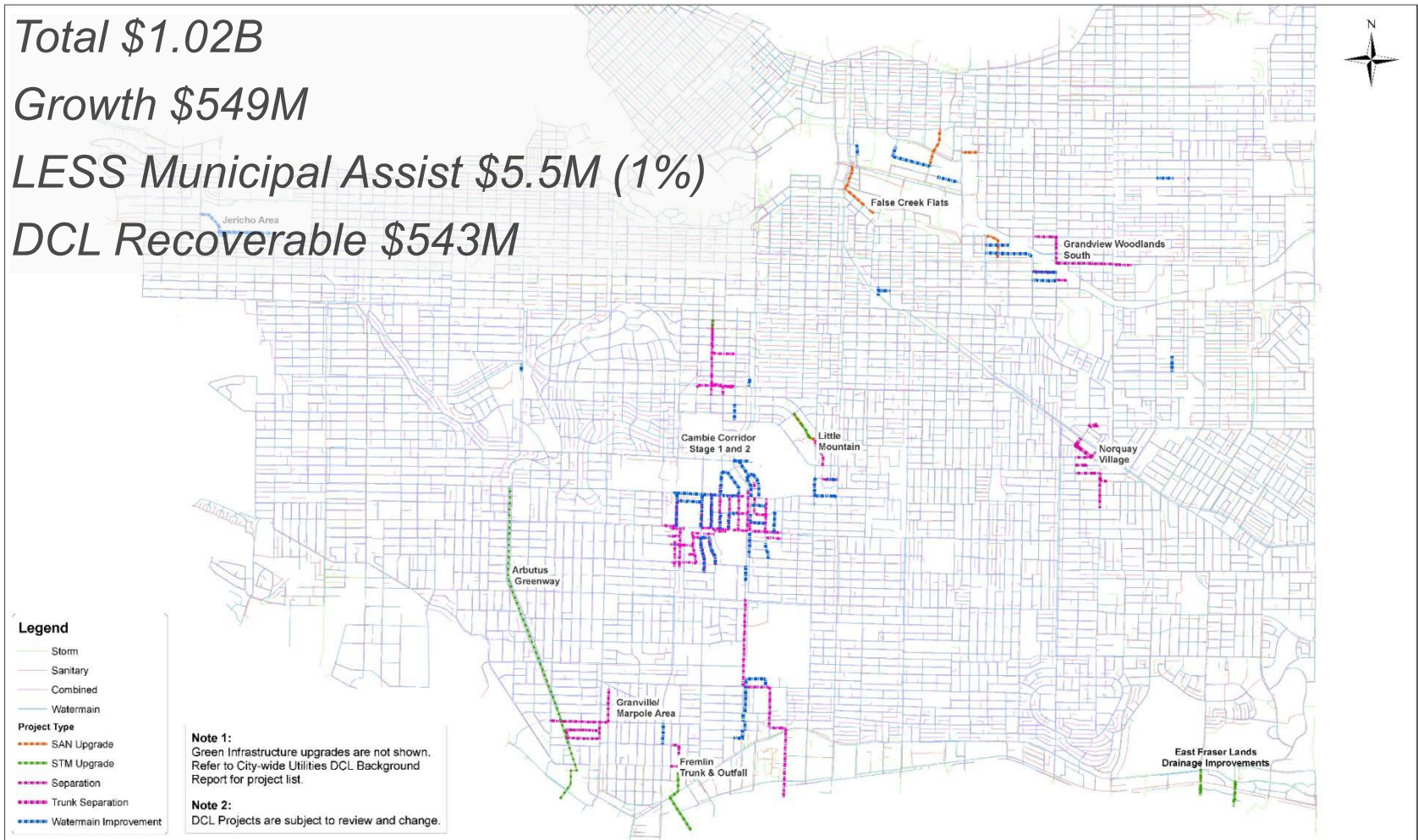
City-wide Utilities DCL program

Total \$1.02B

Growth \$549M

LESS Municipal Assist \$5.5M (1%)

DCL Recoverable \$543M



Current vs. Proposed Utilities DCL (\$/sq.ft.)

LAND USE	UTILITIES PORTION OF CURRENT DCL (SEPT 2018)	PROPOSED UTILITIES DCL	CHANGE
RESIDENTIAL			
Low Density <i>at or below 1.2 FSR</i>	\$0.34	\$2.32	+\$1.98
Medium Density <i>above 1.2 to 1.5 FSR</i>	\$0.73	\$5.04	+\$4.31
Higher Density <i>above 1.5 FSR</i>	\$1.46	\$10.09	+\$8.63
NON-RESIDENTIAL			
Industrial	\$0.58	\$2.02	+\$1.44
Mixed Employment (Light Industrial)	\$1.09	\$3.78	+\$2.69
Commercial & Other	\$1.46	\$5.04	+\$3.58

Current vs. Proposed Total DCL (\$/sq.ft.)

LAND USE	CURRENT DCL (SEPT 2018)	PROPOSED TOTAL DCL
RESIDENTIAL		
Low Density <i>at or below 1.2 FSR</i>	\$4.03	\$6.01
Medium Density <i>above 1.2 to 1.5 FSR</i>	\$8.66	\$12.97
Higher Density <i>above 1.5 FSR</i>	\$17.34	\$25.97
NON-RESIDENTIAL		
Industrial	\$6.91	\$8.35
Mixed Employment (Light Industrial)	\$13.01	\$15.70
Commercial & Other	\$17.34	\$20.92

Comparing Our Rates Regionally



LOWER DENSITY RESIDENTIAL

In-line with others



HEAVY INDUSTRIAL

In-line with others



MEDIUM DENSITY RESIDENTIAL

In-line with others



MIXED EMPLOYMENT (LIGHT INDUSTRIAL)

Highest



HIGHER DENSITY RESIDENTIAL







Among the highest



COMMERCIAL (OFFICE)

Highest

Proposed City-Wide Utilities DCL

	<i>current</i>	<i>proposed</i>
SEWER, WATER, DRAINAGE		
SPECIFIC CAPITAL PROJECTS		
FULL COST RECOVERY		

“Growth pays for growth”

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Industry Development Feedback

Industry overall supportive of the new DCL framework to finance growth-triggered utilities upgrades

Concerns:

- Impacts for current approved rezoning projects
- Viability of rental housing projects (waiver)
- Viability of east side projects
- Magnitude of increase
- Impacts on delay in permitting process due to new water requirements

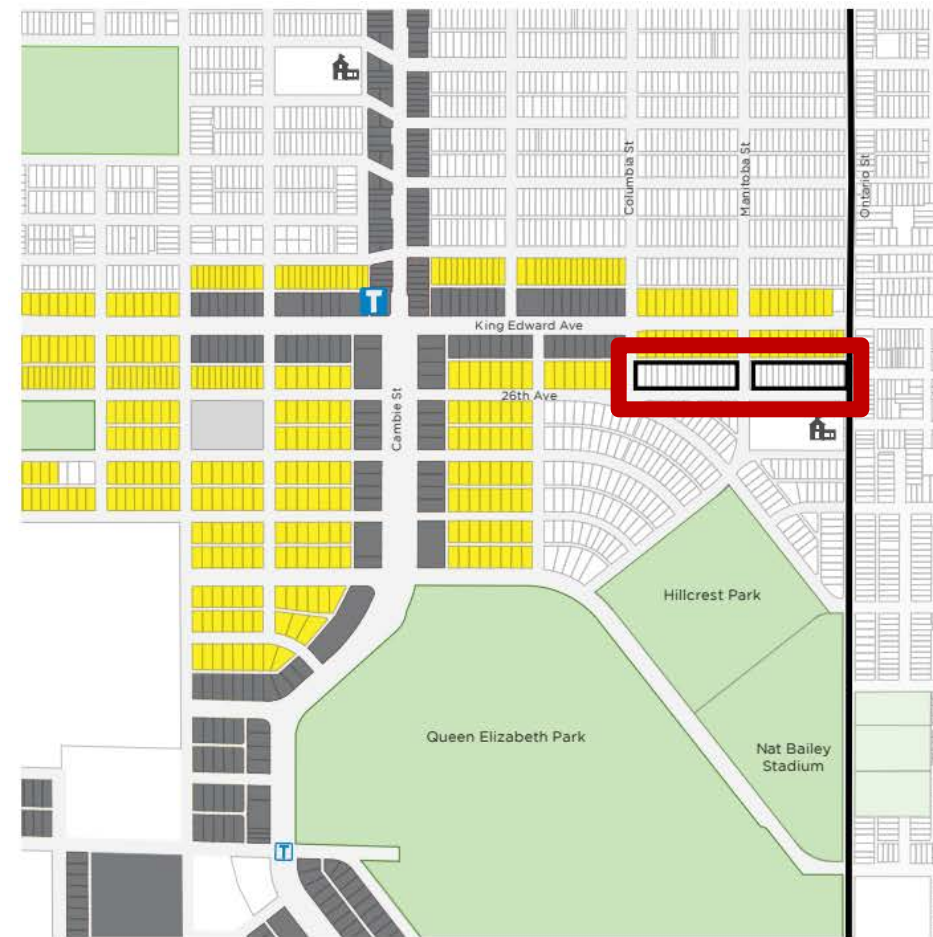
Proposed DCL Implementation

1. New DCL rates will be effective at bylaw adoption (Sept 30, 2018) with **one-year in-stream rate protection**
2. **Phase-in of High-Density Rates on East Side**
2018 – 50% of rate | 2019 – 75% of rate | 2020 – Full rate
3. **Extend for-profit affordable rental housing waiver** to new Utilities Bylaw and **remove the construction cost limit**, subject to report back on Waiver program in 2019
4. **Annual Review of Utilities DCL Capital Project List**

Recommendations

- A. Approve the new framework for financing growth-triggered utility infrastructure upgrades (Project List / DCL)
- B. Approve the City-wide utilities DCL Changes
- C. Endorse the Utilities Servicing Plan for the Cambie Corridor
- D. Amend Cambie Corridor Plan to include select areas for townhouses
- E. Approve newly adjusted CACs for Cambie Corridor and Marpole Community Plan areas
- F. Repeal current interim rezoning policy for Cambie Corridor (2015)
- G. Update implementation chapters of Cambie Corridor and Marpole Community Plans

Townhouse Area



- Townhouses (Cambie Corridor Plan)
- Townhouses (proposed)



Thank you!

