

## Attachment #2

**Received Comments from UDI, Platform,  
Douglas College and School District**



URBAN DEVELOPMENT INSTITUTE – PACIFIC REGION  
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February 18<sup>th</sup>, 2022

Gwenda Sulem  
Asset Management and Project Engineer  
City of New Westminster  
511 Royal Avenue  
New Westminster, BC, V3L 1H9

Dear Ms. Sulem,

***Re: 2022 Development Cost Charges (DCC) Update***

On behalf of more than 900 members of the Urban Development Institute – Pacific Region (UDI), we respectfully submit our comments on the City of New Westminster’s update of the *Development Cost Charges (DCC) Bylaw* and rates. We appreciated the presentation provided by City staff to our members on January 19<sup>th</sup>, and we recognize the principle that growth needs to pay its fair share of the costs of infrastructure to support new housing, commercial and industrial projects.

Phasing

UDI recognizes why New Westminster’s DCCs need to increase, but we recommend that the rates be phased in over multiple years to mitigate their impact on housing costs and commercial/industrial projects given that the fee increases are relatively substantial. We consider the approach taken by the City of Surrey to be a best practice for large DCC increases, as it minimizes the risk to builders should they not meet the legislated grandfathering timelines in the *Local Government Act (LGA)*.

This issue is important to our members as commitments, specifically financial, are made early in the development process and adjustments become increasingly difficult to make at later stages of the development process. If the DCC increases are implemented without phasing, projects may have to be deferred, or prices/rents increased - all of which will continue to hinder housing affordability for residents.

Phasing would also minimize the impact on staff resources. One of the reasons that Surrey implemented phasing is to avoid rushes of applications going through the development review process by builders seeking to avoid the DCC increases.

Alternatively, the City could consider delaying the implementation of the changes and providing a fixed effective date. This delay would especially assist larger and more complex projects that are instream, and would provide additional certainty to builders who will know in advance when the in-stream cut-off will be.

### Impacts on Housing Affordability

As noted above, substantial DCC increases can impact affordability. One option to address this could be the use of *LGA* provisions to waive or reduce DCCs for below market housing. Including DCC waivers and reductions within the *DCC Bylaw* would increase certainty, and streamline the delivery of an important component of the housing continuum. We recognize that funding for these incentives would need to come from non-DCC revenue sources, however we ask the City to consider this approach in light of its affordable housing objectives.

We hope that you will consider our letter as part of the development of a revised *DCC Bylaw*, and if you have any questions regarding our comments, please do not hesitate to contact us. We would be pleased to have further discussions with the City of New Westminster regarding the DCC review. UDI looks forward to working with the City on this and other issues.

Yours sincerely,



Anne McMullin

President & CEO, Urban Development Institute

## Gwenda Sulem

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**From:** Kyle Shury <kyle@platformproperties.ca>  
**Sent:** Thursday, February 17, 2022 4:58 PM  
**To:** Gwenda Sulem  
**Subject:** [EXTERNAL] RE: New West DCC - Update

**CAUTION:** This email originated from outside of the City of New Westminster's network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Gwenda, I left you a voicemail a little earlier in the hope that we could connect but as I'm out of the office tomorrow thought I'd drop you a quick note with my comments to meet your Feb 18<sup>th</sup> deadline. I will follow up with you at the start of the week to discuss the below in a little more detail. Firstly, thank you for the opportunity to review and comment on the proposed bylaw. As you may be aware our holdings in Queensborough in the master plan area include a fair bit of future development so this is an important bylaw for us (and we are actively involved in a number of the related projects).

As you may recall I attended the Jan 19<sup>th</sup> meeting and believe you are aware had a follow up call with Eugene regarding the Beach Street drainage from the 2016 bylaw. My couple takeaways from the Jan 19<sup>th</sup> call included the idea that was tabled about 'phasing in' the proposed increases and the dialogue around the grand-fathering of existing applications.

I have reviewed the updated report of Feb 7<sup>th</sup> by Urban Systems and have the following comments:

- Page 4 – Table 3 – 20 year time horizon shows only 210 townhomes estimated for all of Queensborough. This seems light particularly since our first phase which is already in for DP comprises 147 townhomes and a neighbouring site which recently submitted a rezoning application comprises roughly 25 THs. My thought is you will see more than 210 THs developed in QB over the next 20 years.
- Page 9 – Table 11 – 24% increase in TH DCC (as an example) is definitely a healthy increase, especially considering there will be a parks component added on in the next couple years as well. I also note it refers to the 2015 bylaw, presume this should read 2016? I understand costs are escalating and this is what the formulas work out to but think the idea of phasing this sizeable increase in may carry some merit. This is one item I'd like to know if the City is considering.
- Page 12 – 7.5(2) – would like to confirm that so long as a DP application has been made (which we have for our first phase back in the spring), that so long as we have our BP issued within 12 months of bylaw adoption that we will be grandfathered with the 2016 rates. I'm not sure we will have our BP application submitted depending on the adoption date and as this would equate to a roughly \$400,000 increase in our first phase alone I want to be 100% certain I'm interpreting this correctly.
- Appendix A – I note QBW1 has had the cost estimate increased since 2016. We were recently paid out on a portion of these works and believe the neighbouring developer, Elegant Homes, had constructed the balance and presumably has been rebated on their portion. If that is the case this line item may have been paid out already and not require inclusion?
- QBD11 – I appreciate the inclusion of this item back in as we have yet to be 'credited' for these works that were previously completed. My only question here was why those works did not include a cost estimate adjustment like most of the other projects. This was prior to your time but those works were valued at \$477,000 in the 2009 bylaw and were reduced to \$103,370 in the 2016 bylaw. Our actual costs on relocating the Beach Street canal and related drainage works was in excess of \$1m. Further, based on the benefit factor there will actually be very little of this amount to recover. Would like to discuss this a bit further.
- QBS1, 2 & 4 – also note these amounts remain unchanged from the 2016 bylaw.
- Appendix B – the map for the QB sewer shows QB3 going up Stanley between Ewen and Duncan. The portion along Blackley Street between Stanley and Mercer is missing.

That was a little wordier than I was expecting but covers off the relevant items. As per above I will reach out on Tuesday to try to connect to discuss a couple of these items further. Thanks again for the opportunity to comment and I look forward to connecting directly,

Kyle Shury : Principal



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**From:** Gwenda Sulem <[gsulem@newwestcity.ca](mailto:gsulem@newwestcity.ca)>  
**Sent:** February 8, 2022 9:53 AM  
**Subject:** New West DCC - Update

Hi Everyone,


Thank you again for attending the DCC information session back on Jan 19.

The draft DCC background report is now available on our project website: <https://www.newwestcity.ca/planning-building-and-development/projects-on-the-go/articles/8011.php?status=active>

We will be accepting comments until February 18, 2022 (extended from February 11, 2022).

Thank you,  
Gwenda

**Gwenda Sulem, P.Eng.** | Asset Management and Project Engineer  
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February 18, 2022

Gwenda Sulem  
Project Manager  
City of New Westminster  
511 Royal Avenue  
New Westminster, BC V3L 1H9

Dear Gwenda,

Thank you for the opportunity to provide feedback on the proposed changes to Development Cost Charges (DCCs) at the City of New Westminster.

Douglas College understands the need to update DCCs to keep pace with the rising costs of maintaining and enhancing city services and amenities. Unfortunately, the lack of advanced warning of these changes puts the College in a very difficult position with 808 Royal – our biggest project in New Westminster since the campus was built in 1980.

As you may be aware, Douglas has been working through the extraordinarily lengthy process of earning Provincial support and approval for 808 Royal, a combined academic and student housing structure across the street from our main campus. This project – five years in the making – is critical to the future of Douglas College, as well as the revitalization of one of the key entry points to downtown New Westminster.

As we progressed through a Class D estimate and *two* Class C estimates for this \$300M investment in the community, we budgeted for the current New Westminster DCC rate of \$0.00 for the Institutional (academic) areas. The new proposed Institutional rate of \$1.64 would increase the project cost by approximately \$507,000. For the student housing portion of the building, we budgeted the current DCC rate of \$5.15. The proposed 44% increase to \$7.40 would increase the project cost by approximately \$348,540. Combined, these proposed DCC increases would add approximately \$855,540 in additional, unforeseen budget expenses to our project.

For years, Douglas College has been very open and transparent about our plans to build at 808 Royal. As a public institution governed by the Colleges and Institutes Act, our timelines are lengthy to receive Provincial support, approvals and funding. We have worked extensively with the City of New Westminster through the Pre-Application Process to be ready to move to application once approval is granted by the Province.

Unfortunately, as we have moved through our estimates, cost escalations for labour and materials have pushed the project to the edge of affordability. On January 17, 2022, we were advised of a January 19 meeting around proposed DCC changes. This was the first time we heard about these changes.

With our cost estimates complete and our Business Plan for the project already being reviewed by the Province, this puts Douglas College in a difficult position. Simply put, there is no new money available for this project and

it will be extremely difficult to reduce costs by nearly \$1 million without detracting from the building's functionality, aesthetics or sustainability – all of which are important values to the College and the community.

We respectfully ask that the City reconsider the proposed DCC changes for pre-existing public projects such as 808 Royal, which are designed for the public good and will bring immense economic and social value to New Westminster. We would greatly appreciate a follow-up meeting with the City to discuss this issue further.

Thank you,

A handwritten signature in black ink, appearing to read "DT" with a stylized flourish underneath.

Dave Taylor  
Vice President Public Affairs  
Douglas College

March 17, 2022

**Sent by Email:** [lleblanc@newwestcity.ca](mailto:lleblanc@newwestcity.ca)

Ms. Lisa LeBlanc  
Director of Engineering Services  
City of New Westminister  
511 Royal Avenue  
New Westminister, BC V3L 1H9

Dear Ms. LeBlanc:

**RE: Proposed Development Cost Charges for Major Institutional Category**

We understand that the City of New Westminister (the City) is undergoing a revision to its Development Cost Charges (DCC) Bylaw. New Westminister Schools (the District) has participated in the 2022 draft DCC stakeholder review. This letter is provided in response to the proposed changes to DCC's and its impact on the District.

We understand and appreciate that DCC's are an important tool for municipalities to assist in funding the cost of upgrading or providing transportation, drainage, water and sanitary infrastructure as well as acquiring or developing parkland sites. While we acknowledge legislation in the *Local Government Act* enables the City to charge DCC's to school districts, we believe school development is a consequence of the City's population growth with new schools required to service needs in response to other development, and thus should be exempt from these charges.

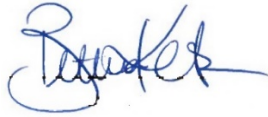
The City's 2022 DCC Bylaw update includes a proposal to include new institutional DCC rates. The proposed rate in the current draft is \$1.64/sqft. for mainland institutions and \$2.84/sqft. for Queensborough institutions. Such rates have never existed for institutional entities such as the New Westminister School District.

**We ask that the City of New Westminister consider making no changes to DCC's for major institutions and leave the rate at \$0.00.** We hope that Council will use its discretion over the implementation of new DCC's and consider how these charges impact capital funding for schools and we ask that you do so in the spirit of continued partnership to create facilities that maximize dollars for new school spaces in our community.

While we hope the City will not implement DCC's for institutions which include the District, if DCC's were implemented, we would ask that a notice period be granted with an implementation deferral of 5 years before such charges come in to effect which would allow for the completion of schools currently under planning and/or construction, such that these projects would not be negatively impacted by this change.



Sincerely,

A handwritten signature in blue ink, appearing to read "Bettina Ketcham".

Bettina Ketcham, CA, CPA, MPAcc  
Secretary-Treasurer/CFO

cc: Karim Hachlaf, Superintendent of Schools/CEO, New Westminister Schools  
Dave Crowe, Director of Capital Projects, New Westminister Schools

