



City of Richmond

Report to Committee

To: Planning Committee

Date: October 28, 2010

From: Brian J. Jackson, MCIP
Director of Development

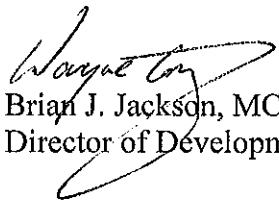
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Gavin Woo, P. Eng.
Acting Director, Building Approvals


Re: 2010 Development Activity, Revenue and Efficiency Update

Staff Recommendation

That the staff report dated October 28, 2010, entitled "2010 Development Activity, Revenue and Efficiency Update", from the Director of Development and Acting Director, Building Approvals, be received for information.


for Brian J. Jackson, MCIP
Director of Development


Gavin Woo, P. Eng.
Acting Director, Building Approvals

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

The purpose of this report is to provide Council with information regarding 2010 development and building activity and to provide information regarding ongoing initiatives being advanced by the Development Applications and Building Approvals Divisions in response to consultation with the Development Industry.

This information provided in this Report supports Council's term goals related to:

- *Ensure the City has the capacity to meet the financial challenges of today and in the future, while maintaining appropriate levels of service;*
- *Ensure effective growth management for the City; and*
- *Effectively manage local economic development issues and opportunities through the creation of clearly articulated economic development objectives.*

Findings Of Fact

2010 Development Activity:

- 2010 development activity revealed a substantial increase in the number of Building Permits issued and the number of Development Applications received when compared to the level of development activity experienced in 2009.
- The construction value for Building Permits issued thus far in 2010 is over \$760 million. This represents the highest construction value ever recorded in Richmond. (**Attachment 1**)
- The Building Approvals Division has issued 1,807 construction permits, which represents a substantial increase over 2009. The greatest gain has been in the permits issued for single-family and multi-family construction.
- This substantial increase in Development Activity has also resulted in considerably more Development Cost Charges (DCCs) associated with new development being collected. The City has collected over \$38.2 million in DCCs thus far in 2010.
- New developments are also often required to physically construct new City infrastructure, through a City approved Servicing Agreement, as part of new developments. Year to date, the City has approved Servicing Agreements designs involving approximately \$25 million worth of City infrastructure improvements.
- Throughout this record year, Planning and Development staff maintained exceptional customer service levels especially during the late summer when many projects received Development Permits and Building Permits prior to the implementation of the new DCC bylaw. Building construction value for these projects that received building permits in September and October is estimated at over \$502 million.

- The following table provides a comparison of key development statistics for 2009 and 2010 year to date:

	2009	2010 Year to Date	Percentage Change
Building Permit Construction Value	\$163 million	\$760 million	466%
Development Cost Charges Collected	\$5.5 million	\$38.2 million	695%
Servicing Agreement Designs	\$12.8 million	\$25 million	195%
Building Permit Application Revenue	\$2.63 million	\$7.06 million	268%
Number of new multi-residential units	589	2754	468%
Total Building Permits issued	1,190	1,807	152%
Total Development Applications Received	159	176	110%

Public Amenity Contributions Secured through Development Applications

- The strong development activity in 2010 has also been associated with a number of significant Public Amenity contributions being secured in conjunction with new developments. These amenities include:
 - A \$1.77 million amenity contribution and dedication of 2.4 acres of land to the City as part of the proposed Tranlink Facility in Hamilton. These amenity contributions are intended to facilitate the construction of a fully furnished child care facility along with a new City Park and public trail connection to the Fraser River;
 - The start of construction on an approximately 6,650 ft² City owned child care facility in the West Cambie Alexandra Neighbourhood as part of a new multi-family complex at 9388 Cambie Rd;
 - Execution of legal agreements securing the construction an approximately 35,000 ft² community centre and an approximately 20,000 ft² university campus as part of the second phase of a mixed-use development in the City Centre;
 - Approximately 121 affordable housing units being secured via Housing Agreements with the City;
 - Approximately 19 new market rental secondary suites as part of new single family subdivisions;
 - Physical improvements to the City's Perimeter dike/trail system in conjunction with various waterfront developments;
 - Approximately \$873,000 for cash-in-lieu of amenity space, which is used to enhance existing community facilities;
 - Approximately \$639,000 contributions towards Public Art;
 - Approximately \$343,000 contributions towards Affordable Housing;
 - Approximately \$190,000 contributions towards Child Care;
 - Approximately \$136,000 contributions towards tree planting in the City.

Development Industry Consultation*Urban Development Institute (UDI) Liaison Committee:*

- City Staff generally meet with a broad spectrum of Richmond-based Urban Development Institute (UDI) members every two months. These meetings provide an opportunity to discuss industry trends and markets, both minor and major Richmond initiatives that affect development, changes to existing policies and emerging development issues.
- These liaison meetings have helped in the development of the following initiatives:
 - The introduction of a specific tree removal process for development sites that require geotechnical pre-loading. This Council endorsed development specific tree removal process enables tree removal to occur on development sites that require pre-loading to occur after a successful public hearing provided defined criteria are satisfied. This enhanced tree removal process accounts for Richmond's unique soil conditions while providing the development industry greater control over development timelines, scheduling and carrying costs associated with geotechnical pre-loading requirements;
 - Updating of the City's Public Art Program Policy, which was endorsed by Council in July of this year;
 - Reconciling the City's Basic Universal Housing Features contained in the Zoning Bylaw with the BC Building Code Adaptability Standards;
 - Identifying and implementing enhancements to the City approval process including streamlining the preparation of legal agreements, providing preliminary comments on development inquiries and providing developers with detailed information on required City utility upgrades as part of new developments;
 - Identifying a process to exempt affordable housing units subject to a Housing Agreement with the City from paying Greater Vancouver Sewage and Drainage District (GVS&DD) fees in keeping with Metro Vancouver bylaw changes;
 - Developing specific legal agreements in consultation with the BC Assessment Authority regarding the valuations of mixed-use building, affordable housing units and live/work dwellings in response to industry concerns.

Richmond Small Builders Working Group:

- City Staff have conducted regular meetings with representatives of the local small builder community to ensure this important segment of the development industry, which is not necessarily represented by UDI, is able to engage staff on development approval process issues. These meetings have provided an opportunity for the local builders to cooperatively work with City staff on development related issues and achieved the following:
 - Improved communication between the local building community and City staff has helped to ensure the build community is aware of upcoming City initiatives and bylaw changes that may impact the development of single-family homes;
 - Zoning amendments to the City's compact lot zoning in order to ensure new construction responds to concerns expressed by Council and the public related to building massing, landscaping and parking;
 - Collaborated and opted to participate in the "Solar Hot Water Ready Regulation" by the Province, which will require all new single-family homes in Richmond to be built to accommodate the future installation of a solar hot water system for water heating;

- Greater awareness and acceptance of the Tree Protection Bylaw Regulations, as demonstrated by the development industry's cooperative approach in meeting tree preservation objectives;
- Greater flexibility in the demolition permits process to facilitate removal of vacant houses, as they become targets for vandalism and squatting. Demolition permits can be issued, prior to building permit approval, provided all existing bylaw sized trees are protected with tree protection barriers;
- Generated an open communication to discuss Building Permit issues, the inspection process, policies and procedures and Building Approvals issues of mutual benefit.
- Reviewing & updating the "Good Neighbour Program" Brochure to include a section outlining when a resident having problem with the builder, who they can contact within the City of Richmond.

Enhanced Development Approval Initiatives

- The following enhancements have recently been implemented by City staff in an effort to ensure the City's development approval process remains as streamlined as possible while also accounting for the increasingly complex list of objectives developments are trying to achieve:
 - Council endorsement of a development specific tree removal process to enable rezoning sites that require geotechnical pre-loading to remove trees after a successful Public Hearing, provided defined criteria related to tree retention and replacement are addressed;
 - Utilizing legal agreements to defer financial security requirements for infrastructure upgrades associated with significant developments provided City interests are protected. The site specific use of legal agreements helped address the construction financing challenges the development industry recently experienced while still ensuring the required City infrastructure improvements are appropriately secured;
 - Staff have developed a priority application review process in consultation with other City departments to enable projects that meet defined Council objectives (i.e. providing affordable housing units, community facilities, substantial job creation, etc.) to be reviewed on a priority basis;
 - Development Applications continues to provide the "Fast Track" Rezoning and Development Permit process options for projects that meet the established guidelines;
 - Staff have implemented new procedural safeguards including the adoption of a project checklist for development sites involving a Rezoning and/or Development Permits to ensure all City Departments involved in the development approval process are focused on ensuring projects are implemented in keeping with the application conditions presented to Council. The checklist includes ensuring the Transportation Demand Management solutions are implemented, the convertibility of the units has been incorporated and that other site specific conditions are implemented;
 - Staff are coordinating regular meetings with external utility providers (i.e. BC Hydro, Teresen Gas, Telus, etc.) to ensure these stakeholder groups are aware of development initiatives in Richmond and that private utility works are coordinated to the achieve the best possible outcomes for the community;

- The Tree Bylaw staff developed a bulletin explaining the various acceptable options available for tree protection. This is to assist builders when designing a single-family dwelling on a raised-grade development lot;
- Adoption of Arboriculture best practices to address potential development conflicts with neighbouring side yard trees. Formalization of a process and best practices so the building community can resolve potential conflicts with neighbouring trees prior to building permit application, thereby, streamlining the process;
- The Building Approvals Division implemented a policy to accept builders installing thicker attic insulation, in lieu of the required professional engineer's letter from the builders, to compensate not providing thermal break between the foundation wall and the slab. This new policy eliminates the requirement of a letter from the engineer and reduces the cost to the builders;
- In discussion with the Small Builder Working Group, the Building Approvals Division implemented a requirement to submit an overlay for the calculation of the floor area in single-family dwelling construction, thus reducing the turnaround time for plan reviews from 5 to 6 weeks, to 2 to 3 weeks.

Development & Building Approval Timeframes

- In an effort to reduce overall process times, Richmond permits concurrent process reviews of Rezoning, Development Permits and Building Permits. Concurrent application processing enables the development industry greater control on the overall process time resulting in significant time savings and the ability to receive a Building Permit within 24 hours of Council's issuance of a Development Permit.
- Building Approvals staff have developed a process for allowing Building Permits to be released in stages so that construction on building foundations can occur prior to full permit release. This staged BP release enables developers more flexibility in construction staging and overall project construction timelines.
- Staff conducted a comparative assessment of approval time frames for Rezoning, Subdivision and Development Permit applications received from 1997 through 2009. The analysis illustrated that overall approval times have decreased since 1997 while application volumes and complexities have increased. This assessment confirmed:
 - 85% of rezoning applications involving single-family development are forwarded to a Public Hearing within 6 months of application submission;
 - Subdivision applications, that do not require a servicing agreement, are typically issued a Preliminary Approval Letter within 3 months of application submission;
 - Development Permits and Development Variance Permits that do not have rezoning or servicing agreements are typically advanced to the Development Permit Panel within 3-4 months of application submission.
- City Staff are currently working on advancing a number of initiatives intended to further streamline the approval process. These initiatives include:
 - Building on the success of the tree removal process for development sites that require geotechnical pre-loading, staff will be bringing forward a Staff Report regarding the potential expansion of this tree removal process to single-family rezoning sites in the near future;

- Bringing forward new site servicing bylaws for Council consideration. These bylaws are being brought forward to replace servicing bylaws that secure minimum City infrastructure requirements as part of new developments. The proposed bylaws will ensure minimum infrastructure standards are achieved while also responding to development industry concerns related to project financing which are currently being resolved through the application of site specific legal agreements, as described above. These bylaws are intended to reduce infrastructure security requirements prior to rezoning adoption provided City interests are protected;
- Increasing the utilization and upgrading the AMANDA property records system to better track development applications and inquiries.

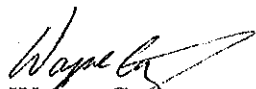
Financial Impact

None.

Conclusion

This report provides a summary of development application and construction activity for 2010. Overall, the City has seen an increase in both development applications and construction activity in comparison to recent years. Building Permit construction value to date in 2010 is the highest ever recorded in Richmond due to a number of significant mixed-use, residential and commercial projects that have commenced construction throughout the City.

This Report also illustrates how City staff have collaborated with Development Industry representatives to streamline the approval process while also ensuring important City objectives related to sustainability, tree preservation and innovation are being advanced.



Wayne Craig
Program Coordinator - Development
(604-247-4625)

WC:blg



**City of
Richmond**

News Release

6911 No. 3 Road
Richmond, BC V6Y 2C1

November 8, 2010

For Immediate Release

New record set for building permits issued in 2010

After a sluggish 2009, the construction industry has rebounded in Richmond. As of the end of October 2010 the City of Richmond has processed 1,511 building permits with a construction value of over \$769 million. This far exceeds the \$163 million value in 2009 and beats Richmond's previous record of \$658 million in 2006.

"This is great news for Richmond as it translates in new industrial, commercial and residential projects in our community," says Mayor Malcolm Brodie. "The new projects include affordable housing units, market rental secondary suites in single family homes, a new daycare facility and a number of new public amenities. While the sheer number of projects is impressive, the City has taken a sustainable approach to development that was well thought out in our City Centre Area Plan."

While there are a number of large projects that contributed to the increase, such as the development of a new IKEA store, another factor in the increase is the fact some projects were pushed forward this year to take advantage of current development cost charges (DCC) before they rose in the fall of 2010.

Some of the large projects that received building permits include:

- Onni Development project at Elmbridge and Hollybridge – 234 market condominium units, 70 live/work dwellings, 20 affordable low-end market rental units and approximately 67,000 square feet of ground floor retail, including space for a large grocery store
- IKEA – 350,000 square foot store relocation and redevelopment, increasing staff to 535 people, providing 1,400 parking spots, road improvements to Jacombs, Sweden Way, Bridgeport and Knight Streets, \$133,000 in public art and 536 new trees
- Cranberry processing facility – new cranberry processing facility to be constructed in East Richmond serving the cranberry farmers in the Lower Mainland, replacing the old facility on No. 6 Road

Other large projects in progress include:

- Translink facility – 120,000 square foot maintenance and office buildings for 250 to 350 buses. City received \$1.77 million for a fully furnished 33 space, 3,400 square foot child daycare facility, 1.87 acre park with a trail connection to the Fraser River, \$20,000 contribution towards the expanded Hamilton Community Centre, Fraser River dike upgrades and improved sidewalks along frontage roads

- Broadmoor shopping centre – Infill five-storey mixed-use building providing 20,000 square foot ground floor commercial space, 59 residential apartment units and nine two-storey townhouse units
- Purpose-built rental project – These 80 units in Riverport will be the first purpose built rental building constructed in Richmond in over a decade

The City has collected approximately \$37.6 million in development cost charges (as of October 18), approved servicing agreement designs for approximately \$25 million worth of infrastructure improvements to roads and other City utilities and approved subdivision plans for 36 new single family lots.

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Media Contact:

Cynthia Lockrey
Senior Manager, Media Relations
Tel: 604-247-4908 Cell: 778-837-4255
Email: clockrey@richmond.ca