

**Date:** July 21, 2009  
**From:** Caroline Lamont  
Manager of Development Services  
**Subject:** PEMBERTON INDUSTRIAL PARK  
OVERVIEW OF SERVICING INFRASTRUCTURE

Received by Council \_\_\_\_\_  
Meeting No. \_\_\_\_\_  
Date \_\_\_\_\_

**RECOMMENDATION**

**THAT** Council receives the Pemberton Industrial Park – Overview of Servicing Infrastructure report and direct staff to host a meeting with the Industrial Park owners and businesses to share and receive input on the information contained within the report; and

**THAT** Council confirms that any new significant infrastructure improvements needed for the Industrial Park shall be identified and budgeted through the Development Cost Charge Bylaw update and in accordance with the standards of the updated Subdivision and Servicing Bylaw.

**REPORT PURPOSE**

The purpose of this report is to provide Council will an overview of the existing and proposed servicing infrastructure for the Pemberton Industrial Park.

**BACKGROUND**

On Thursday, March 12<sup>th</sup>, 2009 the Village hosted a meeting with owners and interests of the Pemberton Industrial Park. At the meeting, several issues related to the timing of development approvals, Fire and Building Code requirements, water servicing, and the cost of development were identified. The Village has since been reviewing related procedures and introducing proactive initiatives in response to the various concerns that were raised.

Several queries at the meeting involved the various fees and charges required in the Industrial Park for sanitary, water and road works. In an effort to have a greater understanding of municipal requirements within the Industrial Park, on May 19<sup>th</sup> Council directed staff to prepare an overview of the related infrastructure servicing and fees (recognizing those that have been achieved and those that may be outstanding). This report provides an outline of the following: the status of water, sewer and road works, fees and taxes; outstanding infrastructure improvements that may be appropriate for the Industrial Park; and Pemberton Industrial Park’s infrastructure improvements and charges in comparison with other BC communities. The report does not consider annual

or monthly charges or connection fees related to water or sewer service to individual properties.

## **EXISTING INDUSTRIAL PARK INFRASTRUCTURE**

This section of the report provides a general overview of existing infrastructure works, together with the manner in which the servicing works have been achieved and funded.

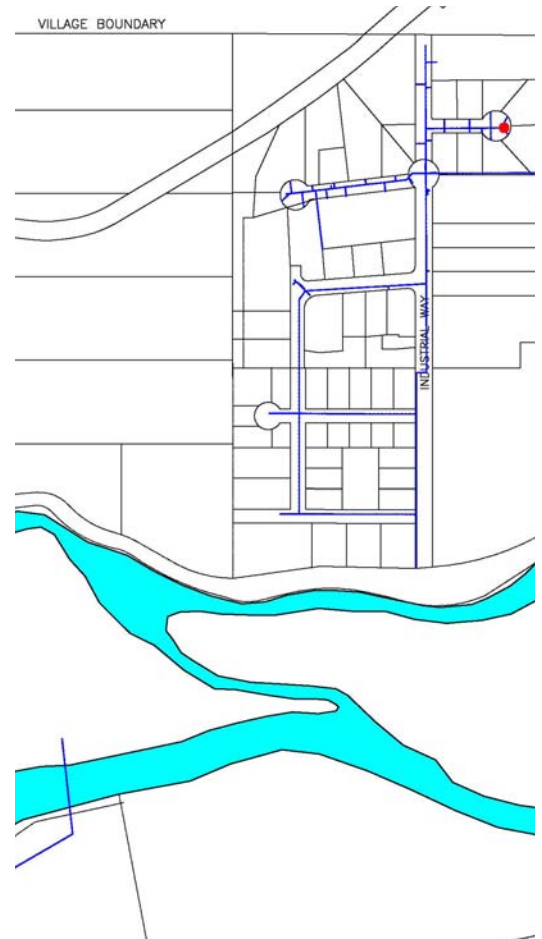
### **1.0 WATER SERVICE**

**Description** - The Industrial Park is serviced by the Mount Currie Indian Band's water system through a bulk water services agreement. The agreement commenced on April 1, 2002 and in addition to other requirements of the agreement, either party may terminate the agreement no sooner than two years following a notice of termination. The Village was responsible for the construction of the system upgrade to allow the required connection to Mount Currie as well as the ongoing maintenance and operations of this connection. The Village pays the Band for the water services in accordance with set fees included in the agreement.

In 2005, there was an initiative whereby Industrial Park owners approved a petition that included support for a Local Service Area for improvements to a 400 mm watermain and 400 mm waterline river crossing to be completed at the same time as the connection to a sewer system. The connection to the municipal water supply, however, was not completed through to the Industrial Park as the estimated cost of construction exceeded the cost set out in the statutorily required petition. A 400 mm watermain, however, was installed from the wastewater treatment plant, under the Lillooet River to DL 214. The funds to complete this improvement came from the Industrial Park Sewer Servicing Project (25%), the Village for airport fire flows (10%) and the DCCs anticipated later in the fiscal year.

**Voluntary Cost Charges (VCC)** – Certain properties within the Industrial Park (i.e formerly Lot 2, Plan 34734 – the 13 lot Potvin subdivision) undertook certain improvements to site servicing prior to the introduction of the DCC Bylaw. These developers contributed to a Volunteer Cost Charge of \$27,300 for site servicing and also a further \$5750 in lieu of parkland contribution (Subdivision Application #13 Dec 16, 1996 correspondence).

**Latecomers Fees** – In 2002, the Village adopted Bylaw No. 495, 2002 that imposed a latecomer's fee on properties within the Industrial Park. The fees



were necessary to pay for the cost of connecting the Industrial Park to the Mount Currie water system.

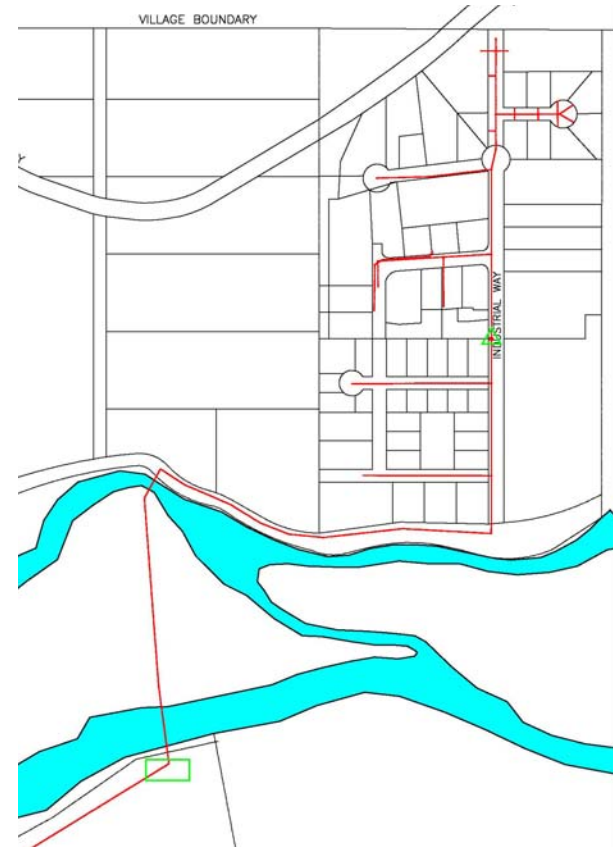
**Development Cost Charges** – The Development Cost Charge Bylaw requires that \$3,762 be paid per Equivalent Development Unit (EDU). The supporting documentation for the DCCs indicates that the contributions are to include watermains; connection from proposed airport road water main (only partially completed); reservoir; and the share of water supply and treatment systems.

## 2.0 SEWER SERVICING

**Description** - The Industrial Park is currently connected to the Village's sewage treatment plant, through a forcemain that travels under the Lillooet River and to the Village's wastewater treatment plant. The sewer line improvements were achieved through a petition of Industrial Park owners (*that was supported by at least 50% of the parcels that would be subject to the local service tax, and the persons signing must be the owners of parcels that represent at least 50% of the assessed value of land and improvements that would be subject to the local service tax*). The portion recovered from the Local Services Tax was \$1,625,120 while the Village contributed \$70,114. The tax assigned was based on the size of each lot (as a portion of the total area serviced).

**Local Service Area Tax** – The Local Area Tax is collected annually (except for four properties that chose to pay in full) based on the area of the property (approximately \$1500/acre/year). This tax is in addition to municipal property taxes.

**Development Cost Charges** – The Development Cost Charge Bylaw No. 589 requires that \$2,234 be paid per Equivalent Development Unit (EDU) for sanitary service. The DCCs were reduced in 2007 in recognition of the works completed by the Local Service Area. Certain properties have either already paid either the Volunteer Cost Charges (prior to the DCCs) or the DCCs or were given a refund. Prior to the Local Service Area Tax the DCC charge per EDU for sewer only was \$6,206.



## 3. ROAD WORKS

**Description** - It is understood that initially the roads to access the Industrial Park were constructed by the land developer (subdivider) and then the main road was later paved through Development Cost Charges from the Potvin section. Later the subdivision of Lot 1, Plan 34734 improved a portion of Old Mill Road,

Carpenter Road and Artisan Road, including street lighting, curb, gutter and underground services.

**Development Cost Charges** – There are no specific Development Cost Charge requirements for road improvements within the Industrial Park.

## **POTENTIAL INDUSTRIAL PARK INFRASTRUCTURE**

In addition to the current works, the Village has identified additional servicing improvements at this time related to water servicing and road improvements, notably:

**Water** The 2009 Strategic Plan identifies “*Industrial Park Water and Service*” as a project which is “*subject to servicing options analysis being conducted by KWL for Hillside developers*”. Further, it is understood that a further watermain connection is required to the Village system and the creation of a reservoir for Industrial Park for fire flows (Associated 2007 report). The funding for these work are part of the existing DCC bylaw.

**Roads** – The Village Subdivision and Development Bylaw No. 219 indicates that Industrial Way shall be constructed to a “Collector” standard. At this time the Village has not prepared a design to upgrade Industrial Way, although recent subdivision and development permit applications along Industrial Way, are being requested to upgrade half of their frontage to a “Collector” standard.

The Village is challenged as it is understood that in the absence of a Local Area Service charge or DCCs the only way that Industrial Way will be upgraded is through contributions achieved during the development and subdivision review process. The applicants, however, are concerned as there is currently no design for the road improvements or timeline (triggers) for its initiation.

## **COMMUNITY COMPARISON**

Attached as Appendix C is a comparison of the level of service and DCC fees paid for industrial development within similar communities in BC. The communities were selected based on their limited attractiveness for industrial development (i.e. not on major provincial transportation corridor or distance to major industrial centre) and their population size (generally less than 5000). The communities of Whistler and Squamish have also been included. In researching the services provided in these communities, it was evident that there were several different formulas applied in the calculation of DCCs. The analysis standardize the application of the fees for comparative purposes – assuming the development of a 400 m<sup>2</sup> building on a 2500 m<sup>2</sup> lot (i.e. a building and lot similar in size to the Distillery). The comparison indicates the following:

The road standards range from local road to collector standards;

- DCCs are collected for water, sewer, roads and drainage (although only Fernie and Gibsons collect for drainage, and only Pemberton does not have a roads contribution)

- Pemberton is the only community that has different DCC rates for different uses (whereby the differential between the uses is significant 5 x greater);
- In consideration of water DCCs when considering the 0.2 EDU uses Pemberton is generally in the range with other communities (although Oliver is significantly lower than all);
- In consideration of sewer DCCs (when considering 0.2 EDU) Pemberton is in the range with other communities;
- Processing, fabricating and manufacturing uses in Pemberton require DCCs that are 5 times greater than the charges for warehouse, wholesale and junk yard uses;
- In consideration of total applicable DCCs for 0.2 EDU uses in Pemberton, the Villages charges are significantly lower yet we do not have road or drainage requirements;
- In consideration of total applicable DCCs for 1.0 EDU uses in Pemberton, the Village charges are lower yet in line with the communities of Gibsons and Fernie yet we do not have road or drainage requirements.
- Pemberton has the lowest DCCs in the corridor in consideration of warehouse, wholesale, junk yards, while for processing, fabricating and manufacturing Whistler has the lowest DCCs.

## **DISCUSSION**

The purpose of this report was to provide Council with an overview of the existing and proposed servicing infrastructure for the Pemberton Industrial Park. It is important to recognize that the various fees and charges that are assigned to development in the Industrial Park directly correspond to the servicing works that exist within the park. The challenge for the owners may be that many of these fees are not readily evident when they are purchasing land and/or planning new development.

There appears to be an opportunity to clearly identify the certain costs of developing within the Industrial Park, in order that the Village and the owners can effectively plan, and budget these necessary infrastructure improvements. At this time there are several initiatives that could assist in this direction, notably:

***Review of the Development Cost Charge Bylaw*** – The Village has recently posted a Request for Proposals to undertake a review of the Development Cost Charges Bylaw. The review is to include:

- Confirm or re-establish future growth and systems demands.
- Evaluate existing wastewater and water systems, park lands, road and Industrial Park components and establish a current list of improvement projects.
- Finalize updated list of infrastructure upgrading projects and establish class and cost estimates.
- Examine the EDU's and modify as required;
- Examine opportunities to promote improvements to the Industrial Park.

***Ongoing Consultation with Industrial Park Owners/Businesses and the Village*** – The Village has hosted several meeting during the past several years with Industrial Park interests. Since the most recent meeting, held in March 2009, the Village has pursued several initiatives in an attempt to work with and

improve relations with the owners/business as well as support new investment within the Industrial Park. It is important that the Village share the recent initiatives as well as the information contained within this report with Industrial Park stakeholders.

***Update the Subdivision Servicing Bylaw*** – The current servicing standards for the Village are contained within the Subdivision Servicing Bylaw that was adopted in 1989. The Strategic Plan identifies that in 2009 the Village will update their Subdivision Servicing Bylaw, although funds have not yet been allocated for the work.

A challenge at this time is during the review of new development applications. Development Services is not confident in identifying future contributions for servicing works unless Council has specifically agreed the new infrastructure is required. The concern is that by the time the Village completes or updates the necessary bylaws, there may be a substantial loss in contributions to certain upgrades.

### **STRATEGIC PRIORITY**

The recommended direction is consistent with the Performance Measures contained within the Strategic Plan (Good Governance) as to review and streamline development and building permit application/review processes

### **BUDGET IMPACT**

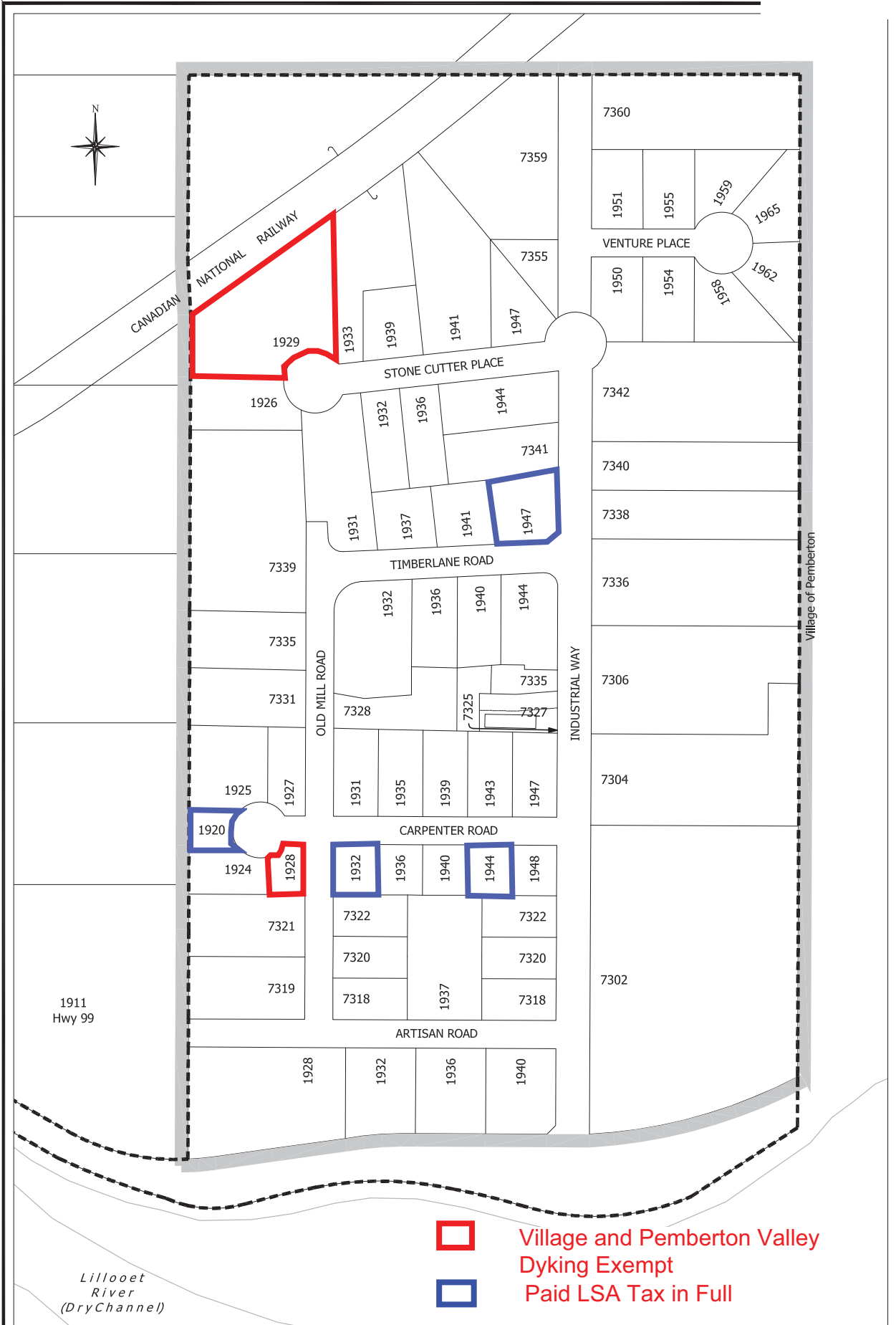
The cost of on-going relations with Industrial Park interests will be covered by in-house staff. The update of the DCC Bylaw and Subdivision and Servicing Bylaw, will be addressed as required in the mid-year budget amendment.

### **RECOMMENDATION**

It is recommended that Council receives this report as well as share and receive input on the findings at a future meeting with Industrial Park owners and businesses. Further, it is recommended that Council confirms that any new significant infrastructure improvements needed for the Industrial Park be identified and budgeted through the Development Cost Charge Bylaw update and in accordance with the standards of updated Subdivision and Servicing Bylaw.

Attachments:

- Appendix A – LSA Paid in Full or Exempt*
- Appendix B – Development Cost Charges/Voluntary Cost Charges*
- Appendix C – Servicing Requirements for Comparable Communities*







STATUS OF SERVICING						DEVELOPMENT COST CHARGES CONNECTION FEES						COMPARISON			
	Water	Sewer	Road Standards	Water	Sewer	Roads	Drainage	Assumes 400 m2 building on 2500 m2 lot	Rank (Less to More)						
PEMBERTON				\$3762 per EDU Assume 400 m <sup>2</sup> building, but by use generates the following EDU's: <ul style="list-style-type: none"> <li>processing, fabricating, and manufacturing 1.0 EDU/100 m<sup>2</sup> which would be \$8936</li> <li>warehouse, wholesale, junk yards use which generates 0.2 EDU/100 m<sup>2</sup> which would be \$15,048</li> <li>warehouse, wholesale, junk yards use which generates 0.2 EDU/100 m<sup>2</sup> which would be \$3020</li> </ul>	\$2,234 per EDU Assume 400 m <sup>2</sup> building, but by use generates the following EDU's: <ul style="list-style-type: none"> <li>processing, fabricating, and manufacturing 1.0 EDU/100 m<sup>2</sup> which would be \$8936</li> <li>warehouse, wholesale, junk yards use which generates 0.2 EDU/100 m<sup>2</sup> which would be \$1787</li> </ul>	na	na		Total DCCs: 1.0 EDU (processing) = \$23,984 OR 0.20 EDU (storage) = \$4807	5					
CASLTEGAR	Municipal	Municipal	Collector	\$5.66 per m2 of disturbed/required lot area (includes footprint, yard and setbacks)						2					
FERNIE				\$9.50/m <sup>2</sup> \$3800	\$6.67 m <sup>2</sup> \$2668	\$51.64 \$20,656	0.51 \$204			7					
GIBSONS	Municipal	Municipal	Local	\$5.63 m <sup>2</sup> of building area 400 m <sup>2</sup> equals DCC of = \$2252	\$6.45 m <sup>2</sup> of building area = \$2580	\$23.76 m <sup>2</sup> of building area = \$9405	\$84,115 per net hectare = \$21028			8					
OLIVER	Municipal	Municipal	Collector	\$0.76/m <sup>2</sup> =\$304	3.33 m <sup>2</sup> =\$1332	\$4.72 =\$1888				1					
SQUAMISH	Municipal	Municipal	Collector	\$32.955/ha =\$8238	\$28.810/ha =\$7202	\$27.118/ha =\$6780	\$16,117/ha =\$4030			6					
WHISTLER	Municipal	Municipal	Collector	\$4.02/m <sup>2</sup> of gfa =\$1608	\$17.77 /m <sup>2</sup> of gfa =\$7108	\$18.83 /m <sup>2</sup> of gfa =\$7532	-			4					