



Staff Report to Council

DATE: Monday, July 18, 2022

DEPARTMENT: Engineering

SUBJECT: Road Development Cost Charge Bylaw Update 2022

BACKGROUND:

Development Cost Charge (DCC) bylaws require refreshment from time to time to review the relevance of the project list with respect to shifting development patterns, completed DCC projects and to reflect current construction costs. A revised Roads DCC Bylaw for 2022 has been prepared for Council review, comment, and approval as Road Development Cost Charge Bylaw No. 2021, Amendment No. 1, Bylaw No. 2025, 2022.

DCCs are a way for the City to collect funds to improve infrastructure that will support projected development over a specified time horizon, under the provisions of the *Local Government Act*. The concept of “Benefiter pays” is the key component of this legislation: Infrastructure costs should be paid by those who will use and benefit from the construction of the works.

DCCs may be collected by the City for improvements to roads, storm drainage, parkland acquisition, and park improvements. DCCs may be collected as a condition of subdivision for single family and duplex development, and at building permit for multifamily, commercial, institutional, and industrial development. Similarly, the Capital Regional District (CRD) also has DCC’s and the School District applies School Site Acquisition charges, permitted under a different section of the Act.

The City can use the funds collected through a DCC program to pay for improvements identified in the same DCC program, alternatively the works can be constructed by others as part of their development process in return for credit toward DCC payable.

The last time a full review was completed of the City's DCC program was early in 2021. The DCC program should be refreshed at least every 5 years to ensure that the projects are still relevant and that costs are appropriate. Due to the pace of road construction in Langford, staff are reviewing the Road DCC bylaw now.

COMMENTARY:

In January 2016 WATT Consulting Group completed the "City of Langford Transportation Model Update". Since 2016 the City has contracted WATT Consulting Group to update our Transportation Model annually and/or as required to support transportation planning.

Any Traffic Impact Assessment (TIA) reports completed for rezonings are also reviewed to determine if any improvements triggered by new development are regionally benefitting and appropriate to include in the Road Development Cost Charge Bylaw.

The City also routinely calibrates the computer model by undertaking traffic tube counts on City roads. The tube counts are typically undertaken on major or collector roads and are also used to help the City amend traffic signal timing if it is needed to improve the efficiency of a road network while saving money by avoiding a constructed improvement to a road. If the efficiency of a road network cannot be improved with a change in signal timing, then road improvements may be triggered.

The current traffic model includes completion of several major road network projects in the City of Langford and therefore is the most accurate current projection of road network requirements for Langford. Several individual areas have been studied and then added into the City of Langford Transportation Model to date. All these study areas were reviewed as part of the City's major transportation networks with the outcome being recommendations for upgrades and linkages to improve capacity and traffic flows. The work is proposed over a 20-year horizon to full build out by 2040 and in accordance with the Official Community Plan (OCP).

In addition to the growing population in general for Langford, School District No. 62 (Sooke) is constructing and/or planning to construct the following schools confirmed and/or likely in the next five (5) years. These have been accounted for in the proposed Road DCC bylaw:

- Westhills Development Area – new elementary and new middle school to open Fall 2022.
- Latoria Road at Klahanie Road – new elementary school to open Fall 2024.
- Bear Mountain parkway at Flint Avenue/Marble Road – new elementary school projected for within the next five (5) years (this is not inside the Road DCC contributing area so is not included in the calculations for charges).
- McCallum Road – land secured for a middle or high school across the road from Costco.

The following summarizes some of the City's historical Road DCC bylaw amendments, the most recent Road DCC projects and includes an explanation of the new ones added as part of the 2022 Road DCC bylaw review.

1. 2017 – Full review and update of DCC bylaw (to Council February 2017)

Several road projects from the 2012 Road DCC program were completed by 2017 and were removed from the Road DCC program cost or were amended for just remaining works, these included:

- a. **Leigh Road Interchange Southwest Quadrant Ramp (Completed December 2015)** – Construction of the last offramp on the TCH at the Leigh Road Interchange
- b. **West Shore Parkway (started 2015)** – Construction began from the railway south to Sooke Road in 2015 and took to the Fall of 2017 to complete
- c. **McCallum Road Connector** (Opened in Spring 2016) – New connector Florence Lake Road to Citation Road.
- d. **Leigh Road at Goldstream Avenue Intersection (Completed in September 2016)** – Realignment and newly signalized intersection. The project was exceptionally challenging due to the network of multiple large underground utility services (eg. Water, sewer, concrete encased hydro ducting) as well as overhead hydro, Telus and Shaw.
- e. **Leigh Road from Goldstream South to Dunford Avenue (Completed in Summer 2015)**. Laning improvements included a center turnlane, construction of a paved multi use pathway along the east side of Leigh Road, new streetlights, median landscaping
- f. **Leigh Road from Dunford to Henry Eng Place (Completed in Fall of 2016)** – Extension of new Leigh Road from Dunford to Henry Eng Place, turning existing Leigh Road into Leigh Place.

2. 2022 – Full review and update of DCC bylaw

Between 2017 and the end of 2021 the following projects were completed and removed from the 2022 Road DCC bylaw in early 2022:

- a. **Bear Mountain Parkway (2017 ongoing to 2022)**– the final 3.3km of the Bear Mountain Parkway began construction in October 2016 and completed in the Fall of 2017. Work has continued constructing the remaining ultimate sections up this side of the mountain since the Fall of 2017.
- b. **Florence Lake Road Improvements (Setchfield to Florence Lake Road) (Completed Fall 2020)** – Reprofiting, paving and multi-use pathway. One small section delayed due to supply chain issues and is being completed in 2022.
- c. **Goldstream Avenue (Leigh to Jacklin Road) (2019 and 2020 Developer Work)** – construction at the westerly end of Goldstream at Leigh Road was completed in 2019 and 2020. Some work remains nearer to Jacklin Road.
- d. **Happy Valley Road (Sooke Road to Latoria Road)** - portions of this work have been completed; however, some work remains.
- e. **Irwin Road Widening** – the easterly portions were completed in 2019 and 2020, work remains on the westerly portion.
- f. **Jacklin Road (Jenkins to Colwood Boundary) (Completed in 2018)** – Extensive upgrades including laning, new watermain, sewer, and concrete encased underground BC Hydro ducting.
- g. **Larkhall Extension (2018 and 2021)**– the Larkhall extension westbound lane only was completed in 2018. The remaining eastbound lane was constructed in 2021.
- h. **Latoria Road (Happy Valley to Colwood Boundary)** – portions of this work have been completed; however, some additional work remains.
- i. **Leigh Road Railway Crossing (Completed 2019)** – Extension of Leigh Road Henry Eng Place south to Langford Parkway, new signalized intersection.
- j. **Massie Drive Connection (Completed Fall 2021)** – connecting Veterans Memorial Parkway to Claude Road, new sidewalks, bikelanes, 3 public parking lots. Landscaping was carried over to 2022.
- k. **McCallum Road Connector Improvements (Citation Road to Millstream Road 2 new Signals) (Opened 2020)** – the McCallum Road connector was opened in March 2016 connecting the Millstream Interchange to the Leigh Road Interchange in an east/west direction on the north side of the TCH and was amended in 2020 by adding additional lanes and signal lights between Millstream Road and Citation Road (locally referred to as the “Costco store area”).
- l. **Millstream Overpass (opened Spring 2018)** – completion of the second southbound left turnlane from the overpass onto the Highway No. 1 Trans-Canada Highway.
- m. **Millstream Road at Treanor Road (Opened 2020)**– completion of the missing southbound through lane and amendments to the signalized intersection (work at corner of Treanor/Millstream).
- n. **Peatt at Brock Roundabout (2020 and 2021)** – three legs of this roundabout were constructed in 2020, the remaining easterly leg was constructed in 2021 with the Larkhall eastbound lane.

- o. **Peatt at Brock Roundabout and Larkhall Fully Extended (Completed Fall 2021)**
- p. **Salem Road (now called Finney Road)** – since 2017 the City has portioned out work preparing this area for a road connection by preloading etc. A sewer line was constructed here (not part of the Road DCC program) as well as a drainage ditch to be used for the eventual road construction.
- q. **West Shore Parkway (Completed and fully opened Fall 2017)** – the West Shore Parkway completion project is 3.3km of collector road connecting the Trans Canada Highway (Highway 1) south across the railway tracks past Langford Parkway and ending at Sooke Road (Highway 14). The West Shore Parkway began construction in November 2015 and was fully completed by September 2017 connecting the Highway No. 1 Trans Canada Highway to Highway No. 14 Sooke Road. There are existing Road DCC credits for this construction still being carried.

3. 2022 – Current Bylaw update will show completion of:

- a. **Glen Lake Road Realignment to Sooke Road (Phase 1 2020; Fully connected Spring 2022)** – Realignment of Glen Lake Road to the existing signal light on Sooke Road at Happy Valley Road, new sidewalks Glen Lake Road to Monnington, sidewalks on Sooke Road, realignment of Galloping Goose Trail to signal light
- b. **Chidlow Connector (Completed Spring 2022)** – New Road connecting Luxton Road to Sooke Road at a new signal light beside Slegg Lumber. Future connection of Ronald Road to this new signal light (date TBD). Final paving to be completed in 2023.

4. 2022 New Projects:

- a. **Finney Road Completion (estimated 2024)** – Fully connect Luxton to Sooke Road/West Shore Parkway
- b. **Goldstream Avenue at Carlow (estimated 2025/2026)** – new roundabout
- c. **Happy Valley Road at Latoria Road (completing 2022)** – new signalized intersection, dedicated left/right turn lanes on Latoria Road to Happy Valley Road
- d. **Irwin Road (anticipated by December 31, 2023)** – in coordination with an adjacent development west of Creekside Trail, sidewalk extension and on street parking to be constructed by the City.
- e. **Jacklin at Orono Road (date TBD, estimated 2024 or 2025)** – recent traffic studies for development west of Jacklin Road indicate the need for a signalized intersection here
- f. **Langford Parkway at Langford Lake Road (2022)** – new signalized intersection
- g. **Latoria Road at Klahanie Road New Signalized Intersection (estimated for 2023)** – in coordination with the new South Langford Elementary school a new signalized intersection at Klahanie Road and the new school entrance

- h. **Leigh Road at Dunford (estimated 2023 or 2024)** – new signalized intersection. Line painting for the dedicated right and left turn movements to occur in 2022 ahead of signalization.
- i. **Millstream Road Improvements (completing Spring 2022)** – New roundabout on Millstream Road at Bear Mtn Pkwy, new sidewalks both sides of Millstream Road from Goldie north to Bear Mtn Pkwy, additional driving lanes, streetlighting, landscaped boulevard, entrance to new Langford Heights Business Park
- j. **Peatt at Hockley new roundabout (estimated 2024 completion)**
- k. **Ronald Road Connector (estimated 2027)** – future connection to new signal light at Sooke Road/Chidlow Connector
- l. **Westhills Connector Road (CCP Connector Road – estimated 2025)** – provide a vehicle connection between Glen Lake Road and Langford Parkway within City Centre Park

Most of the road project construction costs were obtained from engineers estimates where available (typically the engineers of record for adjacent development sites) or were costed by the City Engineer and proofed by a consulting engineer retained by the City.

DCC Calculations

To provide a baseline of information for the DCC program, the number of vehicular trips in the peak hour of travel for specific types of development is calculated. Coincidentally, the cost of the proposed road network improvements is calculated and tallied, then divided by the number of peak hour trips to create a “unit DCC”. This Unit DCC is then multiplied by the peak trip for each category of development to determine the DCC payable. The development categories include:

- Single Family Residential with suites
- Small lot and attached residential with no suites
- Residential apartment
- Commercial
- Institutional (schools)
- Industrial

In each category listed above either the total anticipated units or total estimated building area in m² is used in the DCC rate calculation. Trip rates were all confirmed by WATT Consulting who manage the Langford computerized transportation model and use these rates daily for their work.

The proposed road DCC rates for each class of development are provided in Schedule A, Table 1. A map showing the location of the proposed projects can be found in Schedule B and a list of proposed DCC projects and preliminary cost estimates is provided in Schedule C.

The total units for each of the DCC rate categories in the bylaw were generated by reviewing the projected population from the current Road DCC Bylaw No. 2022 and amending them based on recent rezonings and current population projections.

The legislation also recognizes that there are benefits to existing users in most DCC programs, therefore a “taxpayer contribution” and a municipal “assist factor” are presented to Council for consideration. The yearly tax burden and the ability of the City to meet that capital expenditure in its yearly budgets can then be determined. The proposed assist factor is 1%.

Class of Development	Existing DCC Rates	Proposed DCC Rates	% change
Single Family with suite per unit	\$5,876	\$5,826.83	-1%
Small (<300sq m lot) lot or duplex per lot	\$3,865	\$3,833.44	-1%
Townhouse per unit	\$3,865	\$3,833.44	-1%
Multi-Family per unit	\$3,092.39	\$3,066.76	-1%
Commercial per sq m gross floor area (gfa)	\$54.12	\$53.67	-1%
Industrial or Public Utility per sq m gfa	\$7.73	\$7.67	-1%
Institutional per sq m gfa	\$69.58	\$69.00	-1%

In closing, staff feel that these proposed new rates are palatable and acceptable in all categories of charges and that they support the construction of affordable housing.

ROAD DCC AREA

The 2022 Road DCC bylaw will apply to all of Langford except for the Skirt Mountain and Bear Mountain properties and Centre Mountain.

Skirt Mountain, Bear Mountain and Centre Mountain properties are included in a Local Service Area (LSA) and are therefore excluded from the DCC program. Schedule D depicts the lands contributing to the 2022 Road DCC program.

ROAD DCC PROJECTS

The projects included in the DCC program have been recommended by the transportation study, which notes connectivity and improvements to intersections as key elements for future capacity. Staff worked extensively with the traffic consultants to experiment with road widths, configurations, and levels of service at various intersections to create a plan for the future that will improve the network while keeping costs and impacts to the environment at a minimum.

STAKEHOLDER INPUT

The Best Practices Guide provided by the Ministry of Community, Sport and Cultural Development recommends stakeholder input to the proposed bylaws to ensure that there will be no negative effect to development and affordable housing.

An Ad Hoc Committee comprised of staff and representatives of the West Shore Developers' Association have had the opportunity to review and comment on the proposed bylaw and has officially endorsed the program.

COLLECTION OF DCCs

DCCs are collected on a per lot basis at the time of subdivision for Single Family projects, at building permit on a per unit basis for Multi Family projects and per square meter of gross building area for Commercial, Industrial and Institutional projects such as schools.

DCC CREDIT

The City created a Road and Storm Drainage DCC Credit Policy (POL-0003-ENG) in 2012 that provides a guide to staff and developers with respect to enabling DCC credits.

FINANCIAL IMPLICATIONS:

All roads included in the City of Langford Road Development Cost Charge program will be owned and maintained by the City of Langford. Maintenance costs for City of Langford roads is included in the five-year operating budget which is amended annually and approved by Council.

Any new roads included in the City of Langford Road Development Cost Charge program that the City intends to construct are included in the City's capital budget. Road improvements that are anticipated to be constructed as part of new development at the cost of developers are not included in the City's capital budget but are accounted for in the Road Development Cost Charge bylaw and related Council approved Road DCC Credit policy.

LEGAL IMPLICATIONS:

The Road DCC bylaw requires approval by the Ministry of Municipal Affairs prior to bylaw adoption and was forwarded to the Ministry for pre-review before bringing to Council.

OPTIONS:

Option 1

That Council:

1. Give the first three readings to City of Langford Road Development Cost Charge Bylaw No. 2021, Amendment No. 1, Bylaw No. 2025, 2022. *and* refer the City of Langford Road Development Cost Charge Bylaw No. 2021, Amendment No. 1, Bylaw No. 2025, 2022 to the Inspector of Municipalities, pursuant to s. 560 of the *Local Government Act*.

AND

2. Direct Staff to continue to refresh the transportation study and Roads DCC bylaw at least every 5 years.

OR Option 2

That Council decline to pursue changes to the Roads DCC bylaw at this time.

SUBMITTED BY: Michelle Mahovlich, P.Eng, P.Geo, Director of Engineering and Public Works

Concurrence: Donna Petrie, Senior Manager of Business Development and Events

Concurrence: Will Ying-udomrat, Manager of Legislative Services

Concurrence: Matthew Baldwin, MCIP, RPP, Director of Planning and Subdivision

Concurrence: Michelle Mahovlich, P.Eng, P.Geo, Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Acting Director of Corporate Services

Concurrence: Darren Kiedyk, Chief Administrative Officer