

Campbell River City Council Meeting - February 9, 2023

Agenda Item 5.1

Councillor Chapman: How common is it for the city to give a variance from 100% to 50% in the city boundaries?

City Manager: From the time of about August 2020 until today I can't give you the exact number but I guess it's been in the neighbourhood of 3 or 4 – that's been the approach of Council to these variance requests. Prior to 2020 they were typically approved without any requirement for funding.

Rachel Ricard, Presenter (on behalf of Campbell River Golf & Country Club request for variance of undergrounding requirement):

While this variance is for 620 Petersen I would like to provide Council with some context . . . (edited for brevity). The SDS Bylaw requires properties that front on high priority for undergrounding and have a frontage over 45m are required to place the overhead power lines underground and we are requesting to waive this requirement for several reasons . . . (edited for brevity).

If I wasn't here tonight – we actually cannot satisfy the bylaw requirement as it's prescribed because BC Hydro will not underground lines parcel for parcel, they will only do large parcels or only do city blocks. So this is why the city requests cash in lieu because we can't do the work. Now if it was an option for us to engage BC Hydro then we would have a tangible benefit and we would have improvement to our frontage, but when we give cash in lieu, the money - it feels as if it's going into a black hole. There is no bylaw in place to govern how this cash in lieu is managed or how it's governed and then there are no plans. So there are no plans to underground these works. There is no timing to underground these works. There is no guarantee that the money will be used to improve our frontage. BC Hydro will also not provide a scope of work, which means our engineers are providing ballpark estimates which brings into question how is the city even vetting these estimates and how are they comparable from developer to developer. So the point I'm trying to make here is that we're asked to contribute hundreds of thousands of dollars and there's no plan. There's no guarantee the money won't be spent in another part of the city, and it could be decades before anyone else contributes into this pool.

On Page 3 of the report to Council it states "Approval of the variance to underground wiring without cash in lieu for 50% of the work would shift the entire burden from the developer to the taxpayer. Based on this, staff do not support the proposed variance."

Well I say the burden has already shifted to the taxpayer. Is this something the taxpayers even want. Should Petersen Road still be considered a road that is considered a high priority for

undergrounding, given that this bylaw is now 13 years old. In this 1 km stretch of Peterson there are 44 properties that front Petersen and only 6 trigger undergrounding requirements. How will the city ever have enough money to complete underground works when a handful of properties are paying 50% based on estimates with no confirmed scope of work. And then to think that our 50% contribution is somehow going to make or break a capital project of this size, our opinion is not a suitable justification for non-support. And I also have to talk about cost. We are a business like any other business. We're cost conscious like any other business. Considerable resources have been spent developing these properties, and if we're being asked to pay for frontage improvements, we want to see those improvements or we want to have some sort of timeline for when those improvements will happen. And that is not an unreasonable expectation. So we have a prescribed requirement that's impossible to fulfill even if we wanted to, we have low development potential for 500m on either side of us, meaning no contributions in the short term, there's no plan for monies that are being collected, there's no guarantee that money won't be spent in another part of the city, there's capital works that still need to be funded by the taxpayer and there's an onerous cost for the developer. And so for all of those reasons, we propose a fourth option for council to consider and that is to approve the variance as we've applied for and requested. The same variance that was requested and approved with staff support for the parcel right beside us and for other applicants in the past. Thank you for your consideration.

Councillor Sinnott: Thank you for your presentation. So we were just about to vote before you came up and the motion currently is set out is to reducing it from 100% to 50% - to just be absolutely clear you're objecting to even that reduction.

Presenter: Yes, we are. We believe that every property should be considered with its unique context and not have a blanket 50% contribution applied to every request for this kind of variance.

Councillor Smyth: Just a question to staff. They would still have to build a sidewalk and things like that on the frontage, am I correct?

City Manager: Yes that's correct. Works and Services and a curbed guttered sidewalk to the urban standard would still be required, that is correct.

Councillor Smyth: And there would still need to be the conduits for the power lines if they were not buried still. Like with the sidewalk you would still have to put in the piping for the power lines.

City Manager: That's correct. The ducting and pad required and provided by Hydro would still be required to be installed so that at a future date the infrastructure, curb, gutter, sidewalk, would not be impacted by the installation of those future underground works.

Councillor Smyth: So if they do decide to bury them in the future, then they will not have to tear up the sidewalks or anything like that. They can just put it through the conduits that are already in place.

City Manager: Yes, that's the objective of that.

Councillor Smyth: So then the big costs that you would be incurring is that you would have to replace the power lines as well, am I correct. You wouldn't bury the existing power lines.

Presenter: No the power lines would stay. The large cost for us would be if we have to contribute a 50% cash in lieu. Because we can't engage BC Hydro to come and do that work for us.

Councillor Smyth: So you can't give cash in lieu when you don't know how much it's actually going to cost.

Presenter: Well the cash in lieu is based on an estimate that's provided by an engineer, but there's no confirmed scope of work from BC Hydro. So we've asked BC Hydro, you know, what are you looking at and they said there's too many variables they can't even ballpark. So we have an engineer that can provide an estimate, but we object to the 50% cash in lieu because like I said there's no guarantee that they will ever improve that frontage, there's no guarantee that that money won't be spent elsewhere and there's currently no plans – I've asked staff – to do any of this work so when a business is asked to pay hundreds of thousands of dollars for improvements, but there's no improvements, yeah we take issue with that.

Presenter: So I have a question for staff. Because we took cash in lieu for the airport properties – there's money sitting in an account for burying those power lines, am I correct?

City Manager: (appears to be saying I don't know to unidentified city staff member)

Staff Member: Sorry we were just discussing finance. Could you repeat that question.

Councillor Smyth: No I'm wondering because this was done in the past with A2 lots up at the airport and I believe that there's money sitting in an account still now for the cash in lieu for the burying of lines up at the airport. I just want to address the concern that this money will be spent elsewhere because I'm quite sure that there's money sitting in an account for the airport lots.

Staff Member: Yeah, the airport is a little bit of a different situation and I can turn it over to our finance director but any time we take cash in lieu for a specific purpose, that's the only purpose we can use it for. So it ends up – I'll let finance describe the accounts but they are coded to that specific purpose.

Councillor Smyth: Yeah, exactly. It's okay. I just wanted to – yeah, we won't be spending that money if we're getting it. I understand the argument though.

Councillor Kerr: Thank you for your presentation. It was very well presented. And I definitely do appreciate the work that's been done up in that neighbourhood. It's going to definitely change – it's already changing – the way that Quinsam Heights looks and because really it's the first big project that's ever happened in the neighbourhood. And you know it really has a rural flavour to this point. The roads, even if they are city roads, they still have that rural flavour and I think this is just the beginning of the infill potential that we're going to have in that neighbourhood in the coming years. And I think that you know in ten years we're going to come back and going to see that those roads – the services are going to be underserved – there's going to be a lot of money required to bring them up to standard. I understand that you're first in and it looks like you're being picked on but I think that you know as that neighbourhood develops we're going to see big changes in the infrastructure and definitely on Peterson Road. You know I've been looking for an upgrade of Peterson Road for 13 years and it's still a dangerous road. And all the vehicles and traffic that your successful business is going to bring to that area, you know they're going to come on those roads. I understand you feel you're being picked on, but I think that there's going to be a lot of money that the taxpayers are going to have to pay in the future to upgrade that neighbourhood also. I think 50% – having to pay 100% for both sides of the road doesn't make sense because you're only on the one side – 50% to me is an appropriate charge. Certainly it makes more sense to the owner that it be zero, but it's a bit of a compromise.

CARRIED

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Councillor Kerr moved recommended motion.

City Staff: There was one other part to that resolution which is to receive the written correspondence regarding that development permit. Was it your intention to include that those be received.

Councillor Kerr: Yes.

City Staff: Thank you.

Councillor Sinnott seconded motion.

Mayor Dahl: Ms. Norman, great to see you here again.

Meghan Norman, Presenter (on behalf of WestUrban Developments request for variance of undergrounding requirement):

Presenter: Good evening Mayor Dahl and Council. Guess I'll carry on with my presentation?

City Manager: If I may, Your Worship. I just want to start by saying tonight's development permit application for 1650 Galerno Road has certainly generated significant public attention. However staff would just like to clarify for Council and attendees in the gallery tonight that this application only deals with the request to vary the underground servicing and not the proposed future development of the overall property. A development permit application has been submitted to the city for the future development of the property and it's currently in process and will be brought before Council in the near future. A variance is included in that development permit application and so notification in accordance with the local government act as well as our development procedures bylaw will be provided and opportunity for written submissions again will be provided to everybody within the notification list and that will be the same notification list that was provided for this application. So just clarifying that this application only deals with underground wiring.

Presenter: Good evening Mr. Mayor and Council. My name is Meghan Norman and I am Development Manager at WestUrban Developments and tonight I am joined by one of the owners of WestUrban, Terry Hoff, as well as our Directors of Development, Cameron Salisbury and Matthew Fitzgerald. So what I'd like to touch on tonight is two reasons why we were requesting this variance in the first place as well as our concerns with cash in lieu, which are quite similar to the previous applicant. So one of the main reasons we opted to apply for this variance to underground the wires is because half of our frontage is within environmentally sensitive area. So what that would mean is further digging, trenching within the creek, which would also require provincial and federal permits. Those permits are only good for a year. Should anything come up where we may not be able to commence development as soon as we want and those permits expire, we would then have to reapply for those permits. So there's an increased risk that we would have to take in terms of that development. Development very much has to be timed with the market, so the added risk of those permits is something we weren't willing to contend with for this application.

My second image shows the length of Alder Street, which is identified as a priority area for undergrounding. It's about 7 km long and out of that 7 km there's about 500m that trigger the underground power bylaw. So the vast majority of parcels on Alder Street are single detached parcels that have frontages of about 20m. The bylaw exempts any parcel that's less than 45m to underground so a significant majority of those parcels would never be required to underground. The two parcels that would be undergrounding on Alder would be the 1650 parcel as well as a parcel north of us. Generally BC Hydro is not in favour of piecemeal undergrounding of their infrastructure. It's challenging for them to operate and maintain and in general BC Hydro is quite quiet when it comes to their position on undergrounding. My personal experience is that for them it's a bit more of a headache. So one thing I did want to also bring up is that the staff report did not identify what BC Hydro's comments were during the circulation period and I'd just like to read those out quickly. And BC Hydro had said due to these lines being a double circuit feeder line it means undergrounding will be complex and costly. And that doesn't even consider the amount of environmental that is also on this

property that would have to be contended with. A bit of commentary from me is if fixing downed power lines was very costly and caused a significant public safety issue, BC Hydro would be a lot more vocal in its support of undergrounding wires, but they aren't.

So my final point is around cash in lieu. And I don't think a lot of the public comments really realize that cash in lieu collected for this variance is unlikely to go back into this neighbourhood. Should council support the recommendation for cash in lieu, WestUrban is asking if the city knows when and where that money will be applied to. The bylaw as written doesn't provide any indication or direction on asking for cash in lieu and how that money is spent. Honestly the bylaw lacks clarity and transparency and certainty to applicants and that's why tonight we're not in favour of the staff recommendation.

Councillor Sinnott: The comments you had from BC Hydro, were they provided to Council or to the city?

Presenter: They are a part of the comments that staff get when they circulate the file so staff have the comments. They are available.

Councillor Sinnott: So staff is this consistent with what we are aware, that BC Hydro was talking about the complexity given the double circuit and nature of those lines in the area?

City Manager: Actually, Your Worship, I haven't read those comments myself so I can't comment if it's consistent.

Councillor Sinnott: Is there anyone in staff that understands the circuit nature. I think this is the lines on Alder Street and I'm familiar with the street, those are very high lines. They seem to have a lot of issues when the storms come up but they get attended to quickly so I'm just wondering does anyone in the city know anything about the hydro lines in that area?

Councillor Johnston: This is probably a staff question. I'm just wondering has this property always been an RM-1 or was it rezoned at some point in time from an R-1 or . . . It's just an interesting zoning to have kind of right in the middle of a residential R-1 area.

City Staff: Thanks for the question. Again, we're dealing with a variance, not development potential, but I can say probably back to 1998 it has been permitted for similar density. Beyond that I'd have to go back and research.

None opposed. CARRIED

Item Not on Agenda:

Councillor Sinnott: WHEREAS Council passed a Resolution at the August 17, 2020 Council meeting directing staff to proceed with amendments to the undergrounding of wires section of

the Subdivision and Development Servicing Bylaw and WHEREAS Council has granted variances to the requirements for underground wiring of recent developments based on 50% cash in lieu being provided for the cost of the undergrounding works, therefore BE IT RESOLVED that Council directs staff to bring forward an amendment to the Subdivision and Development Servicing Bylaw no later than the March 30, 2023 Council meeting to require that cash in lieu provided for underground wiring be provided at 50% of the cost estimate for the work.

I'm going to propose this amendment because what's happened in the last several meetings is that we've been presented with a number of choices and recommendations from staff to basically put forward a variance on the status quo situation that's arisen since 2020 and until we get the final revision of the SDS bylaw – the new update – this would take some of the work off of staff to do reports to us as well as basically say go ahead staff and offer the 50% work to the people without having to come back to Council.

Councillor Johnston: (Edited) Do we want to do something about the accuracy of the quotes given the presentations we heard tonight that we don't have a realistic – don't know if it's sky high or low.

City Staff: (Edited) Amendment to SDS Bylaw regarding underground wiring variances – as in all cases when we take cash in lieu we rely on the engineer's cost estimate. Another option is looking at similar city projects and use the per linear metre rates to apply to a new development. Staff are underway with a complete update of our Subdivision and Development Servicing Bylaw. This is one of the items we're looking at, not only how we apply it but where we apply it and what's appropriate going forward in order to fund such improvements.

Councillor Kerr: (Edited) Looking forward to it. Cash in lieu if it's ten years before it gets around to undergrounding, probably the amount that's been charged is probably going to be a good deal.

Mayor Dahl: Agreed.

Councillor Smyth: (Edited) I reiterate what Councillor Kerr said. If I look at what we put in for the A2 lots (airport) I think it sits at \$60,000 – that's it. So you're right, when the time comes around, there's not going to be enough money.

None opposed. CARRIED