

February 16, 2022

City of Kelowna  
1435 Water Street  
Kelowna, BC, V1Y 1J4

**Attention: Joel Shaw**

**Subject: UDI Okanagan's Feedback on DCC Update**

Thank you for your response to the UDI development community questions and concerns regarding the draft 20-Year Servicing Plan and major DCC Bylaw update. We appreciate the time and effort that you and your team have put into your replies, and into the significant undertaking of this overall program development and major update. Our committee recently met to review the City letter and the consensus was that City staff position and UDI's perspective on some core concerns are still not in alignment. For this reason, we believe that it would be helpful for us to meet with Doug Gilchrist to discuss these key issues further. You are welcome to attend this meeting that we would like to set up as well if you like. Our hope is that this will help move this process along in a positive and time-sensitive way.

There are 5 core concerns for follow up which we would like to discuss further from your December 3 2021, December 17, 2021 and January 19, 2022 responses, summarized below:

1. Secondary Suite impacts allocated only to growth
2. Drainage DCC allocation to growth
3. Sector Consolidations and Implications of Sector Specific Projects and Reserves
4. Blanket Costs allocations in Project Cost Sheets
5. Parks Development costs DCC eligibility

Each of the above concerns are explained in more detail as a pretext to the follow up meeting we would like to schedule.

1. **Secondary Suite impacts allocated only to growth:**

The most recent approach from the City of Kelowna surrounding the treatment of secondary suites and carriage houses does not equitably share the cost of infrastructure impact from these housing forms. As the 20 year servicing plan acknowledges, "As housing prices rise and household sizes decrease, it is anticipated that many citizens will be challenged to afford home ownership. These forces will strengthen the demand for long-term rental housing and enhance the viability of purpose-built rental apartment projects, secondary suites, and carriage houses."

While historically the infrastructure impact of secondary suites and carriage houses may have been

nominal, it is clear that this housing form is expected to account for 30% of the single family growth targets.

Regardless of the latest allocation to Res 1 and Res 2 only and the revised people per household calculations, the fact remains that there is still a major disconnect with the “Benefiter Pays” principle core to the Best Practices Guide. This approach will only be fair to those new single family lots that decide to incorporate a secondary suite. It is unfair to those who wish only a single family residence and it misses what we feel is the majority of the impact which is secondary suites in existing housing stock. Our understanding is, that with this proposed change to the DCC approach on secondary suites, all retrofitted home will not contribute any capital charge for their impacts.

If the City does not consider a trigger to collect the DCC fees directly from secondary suites, perhaps they would consider increasing the municipal assist factor across the infrastructure categories as they have done with the Parkland Acquisition DCC. A municipal assist of 12% is applied for the Parkland Acquisition and Development DCC programs which has been represented to be approximately equivalent to the previous program 8% tax assist plus previous program’s secondary suite subsidy.

Alternatively, UDI recommends the status quo for secondary suite remains in place until such time as the City or UBCM lobbies the province for an effective amendment to DCC legislature that allows a DCC to be charged at building permit stage that does not get limited by the current \$50,000 minimum cap on construction costs.

## **2. Drainage DCC allocation to growth**

The demand on the storm drainage system of developing a parcel of land is expressed as the amount of storm water run-off that must be accommodated by the system. Run-off coefficients are used to determine the equivalency factors necessary to develop Equivalent Drainage Units, the basis for calculating drainage DCCs.

Although the DCC legislation permits the inclusion of a Drainage DCC to fund the infrastructure required to meet the demands placed on drainage systems by development, it is clear that the Mill Creek improvements are an existing flood zone as demonstrated in the recent floods of 2017 and 2018, and that this is an existing deficiency that is not triggered due to development demands. DCC best practice guide recommends the apportionment should be supported, and technically supported where possible.

The current proposed allocation is also not applied correctly with the allocation of benefit to growth based on the projected population growth as a share of total population by 2040, if using population strictly in terms of residents. Total projected growth is 44,000 new residents for a new total population of 180,000 residents. This represents 24.4% growth as a percentage of total population, not 33%. Arguably, since the endorsed growth scenario sees most of development in densified housing forms, the Ha impact of new developments as a percentage of the existing Ha of development would be significantly less. Further to the last point, the impact of housing forms outside of the core that are required under their development approval applications to provide for the full impact of development drainage within their development site should also be excluded from this calculation entirely as well.

Finally, in light of recent flooding events, there has been discussion that the flood mitigation works that had previously been shifted from provincial level responsibility back to municipal, would be reconsidered. In consideration of that possibility, the drainage DCC should be deferred until it is known whether this is a cost that would ultimately be borne by the City.

### **3. Consolidation impacts on Sector B Water, Wastewater and Transportation Infrastructure allocations**

#### **WATER Infrastructure:**

**UDI Question:** What projects in water and wastewater are needed to support sector B and how was the apportionment for DCCs determined?

#### **City Answer:**

- Water: The proposed DCC program is proposing one City-wide sector for Water. The water program includes treatment, transmission, storage, and fire flow to support growth. The primary project that is required to service Sector B is the Cedar Creek Stage 2 transmission main.

#### **UDI Reply:**

- Why are the new cells at Frost and Grainger strictly developer funded, but the new cells at Summit and PZ 419 are considered city-wide water projects?
- The Cedar Creek Stage 2 transmission main was considered an oversize component in the current 2020 DCC program to be covered by non-DCC revenue sources. How has this shifted to a sector B DCC project in the 2021 DCC program? Please provide the engineering modelling for details for review to support this allocation.
- Further, the “2030 – 20 year servicing plan and financing strategy” clearly indicated the following, which is contradictory to the Answer provided above on Dec 3:

The water program as developed represents the required infrastructure needs to service the new population growth over the next 20 years. The projected works include the following:

- Improvements to the pumping capacity and pipelines for systems supplied by the Poplar Point water pump house and new Cedar Creek pump station.
- Extension and or improvements of the water distribution system primarily to provide for increased density in the Downtown, Skyline and Crawford Road areas and development in the South Slopes area.
- Upgrades to existing pumping system to provide capacity to the Clifton Road/Glenmore Highlands area of the City.

The following servicing assumptions have been incorporated into the water system:

- Water Improvement Districts, which operate within the municipal boundaries, will provide water service to growth projected to occur within their service boundaries, to the same design standards as used by the City.
- The City will purchase bulk water from Lake Country for resale to Industrial lands at the extreme north boundary of the City.
- The major water system for the South Mission area of the city has been constructed and financed by developers on a staged basis and recovery for excess capacity provided is to be recovered from benefiting property owners via an ‘ESA; extended service area. Costs for this system have not been included in this program.

Summary of 2030 major projects and description:

- Royal View and Mountain upgrade  
To install pipe along Knox Mountain access road and along Royal View Rd. to Mountain Ave. This will increase conveyance to Dilworth Reservoir and improve supply to Skyline Pump Station.

- Skyline Pump Station  
Install a third pump at Skyline Pump Station which is required to meet the redundancy requirement and demand increases due to projected growth in the Clifton North and Glenmore Highland areas.
- Cedar Creek Transmission System Stage 1  
Dedication of a raw water transmission main from Stellar Pump Station to Adams Reservoir; treated water conveyance to distribution and fire flow improvements. This is a required component of Cedar Creek UV Treatment.
- Cedar Creek Transmission System Stage 2  
To increase capacity at the Cedar Pump Station, conveyance to Stellar and storage at Adams. IHA treatment requirements could trigger this project prior to year 2020.

The DCC water program is only one element of the City's water infrastructure needs. Other programs which must be undertaken over the 20 year planning horizon are:

- Replacement of cast iron water mains which cause problems in the system and other water mains are nearing the end of their service life.
- Replacement of undersized water mains to provide increased fire flow protection.
- Provision of water service to existing developed areas which would normally be accomplished by formation of a Local Area Service (LAS).

### **WASTEWATER Infrastructure:**

**City Answer:** Wastewater: Four projects are needed to support growth in Sector B based on current flow measurement and modelled growth to 2040. Three Lakeshore Trunk sections (100% Sector B) and improvements at Gyro lift station (75% Sector B). The growth demand in Sector B triggers these improvements as verified through modelling. These projects are in the existing DCC program.

### **UDI Reply:**

- In the 2020 DCC program the Lakeshore Trunk section was split 45% to Sector B, with 44% BE, and 11% to other sectors. How did this shift to 100% Sector B? There are several high density Inner City projects representing thousands of units that will be feeding into these trunks, in addition to the benefit to existing area residents. Please provide the modelling that supports the position that the 1200 units of growth projected for Sector B are the 100% benefitting party.
- Can the City please provide clarification surrounding which growth sector would 'trigger' the project and thereby be allocated 100% of the cost?
- In the 2020 program, the Gyro lift station was allocated solely to existing benefit and Inner City. Please provide the modelling to support the 75% shift in allocation to sector B.

**UDI Question:** What is the financial benefit (i.e. lower DCC rates) to Sector B by making water and wastewater City wide?

### **City Answer:**

- Water: The Sector B charge is \$3,400 less per single family equivalent due to consolidation of the water sectors from the previous program.
- **UDI Response:** Please provide the details on how this analysis was prepared.
- Wastewater: The Sector B charge is \$3,700 less per single family equivalent due to consolidation of sewer sectors.
- **UDI Response:** Please provide the analysis on how this sector charge was

calculated.

**UDI Question:** Water Projects historically Sector B was allocated projects that were either directly developer funded or funded and now constructed. Now that the Sector specific water projects have been completed for Upper Mission, the water DCC actually increases for new units due to the shift to city-wide allocation. Does this seem right? Is there any direct benefit to the Sector B growth units as a result of the DCC projects? Sector B should be exempt from the program on this basis.

**City Answer:** Not all the water projects have been constructed to support Sector B and there is a negative reserve balance as a result of advancing some projects. Cedar Creek Stage 2 supports Sector B and has not been completed. If no sector consolidation were to occur the Sector B charges would have increased as noted above. Listed below is the negative reserve balance needed to pay for projects that have been completed and the remaining project required to support growth in Sector B.

- Water Sector B deficit reserve balance of \$3.2 million reflecting debt owed for front ending growth related projects in Sector B,
- Sector B share (28%) of Cedar Creek Stage 2 with a total project cost of \$9 million.

**UDI Response:** Cedar Creek Stage 2 is not part of the Sector B DCC cost under the currently approved DCC program. How can Sector B DCC program be charged costs for a project that is not in the program? Please provide a Sector DCC reconciliation, showing:

**Opening Reserve Balance:**

DCC funds collected from Sector:

\*Approved\* Sector Project costs outlaid:

**Ending Reserve Balance:**

The Best Practice Guide allows DCCs to be calculated on a city-wide basis, unless there is a disparity between development and benefitting users. Historically this sector approach was utilized to capture area specific burdens and enhance the cost to that area that was creating the burden, and achieving the benefit. In the case of Sector B, an agreement for the Southwest Mission Sector was signed in 1996, at which time the area developers agreed to front-end the majority of the infrastructure costs in the sector in exchange for DCC credits. As the sector is reaching full build-out, the majority of the infrastructure works have been installed or completed, at developer cost. Now that the projects are winding down and the related DCC infrastructure costs should be reduced, the City has shifted the model to a City-wide basis, which pushed the burden of other development to Sector B with no direct benefit.

**Transportation Service**

**UDI Question:** What is the Sector B top lift paving project and how will this benefit new growth?

**City Answer:** This is not a new project; Sector B top lift paving, named “Deficiencies” in the DCC project list, has been carried forward from the 2018 DCC Program. This project addresses deficiencies or work that was not completed during the initial build-out of the Upper Mission neighbourhoods.

**UDI Response:** The description that had carried forward from previous years seems to deviate from the current description, which summarizes “Top asphalt layer on Stewart Rd W between Crawford Rd and south terminus.

-Bike lanes on Stewart Rd W between Crawford Rd and south terminus.

-Curb, gutter and boulevard on the west side of Stewart Rd W south of Crawford Rd.

- Sidewalks on Chute Lake Rd between South Crest Dr & Quilchena Dr.
- Sidewalks on Barnaby Rd and Steele Rd between Lakeshore Rd and Gordon Dr.
- Bike lanes

- Further, these deficiencies were slated for Q1 in the 2030 – 20 year servicing and financing plan, and the majority of the ‘deficiencies’ accurately included in the previous plan were addressed, and “new” items have been added to the current program that do not represent actual deficiencies from growth projects over the last 10 years.
- Why is a 25% contingency required for sidewalks and asphalt? This should really be 10% at most
- Engineering and contract admin seems high. If this is truly a deficiency, the design has already been designed/engineered? This is paving, sidewalks and bike lanes in an existing RoW?
- The 2018 program cost sheet only identified Frst 2/3, Brnaby, Kldr, S. Per 2 and Grd 1. The majority of the noted deficiencies have been completed. In 2021 the sole remaining costs are adding the bike lanes and sidewalks on Barnaby.
- The Stewart Road W items (\$465k) are not a sector B deficiency. These were part of Sector A and should be included in the Inner City improvement project list.
- The Chute Lake sidewalks (\$350K) are a new item, and should not be included as this not an existing deficiency of a previous DCC road program. They simply represent an older area of existing road that never had sidewalk and should be treated like the sidewalk program anywhere else in the City with participation from existing taxpayers/City.

**UDI Question:** When Sector A was consolidated into Sector I how much of the Sector A reserve was transferred into Sector I? What is the rationale for doing this?

**City Answer:** The transfer from Sector A to Sector I is effectively \$2.1 million on a net basis. This accounts for the Sector A reserve balance of \$4.9 million less the Sector A legacy project McCulloch Area DCC which will now be the responsibility of Sector I. To date the Sector A reserve has contributed \$2.1 million to improvements on Stewart Rd W. that are needed to fund infrastructure demand caused by development in Sector B. The transportation demand from Sector A impacts the downstream road network within Sector I and it is fair to transfer the remainder of the reserve to support the road network in Sector I.

**UDI Response:** In the most recent DCC program, Stewart Road was allocated 30% to SE Kelowna Sector A and 70% to Sector B. In the 2020 program, 100% is allocated to Sector B with no allocation to Inner City that has now been consolidated with Sector A. Funds were fully collected from Sector A in the DCC reserve in the amount of \$2,871.4 in the previous program to cover that sector’s contribution to the road network. Please provide the reconciliation of cost breakdown of the road segment that was completed in 2020/2021 and the allocation between City/DCC reserves/Grant funding for the portion completed. Please detail which specific sector DCC reserves were applied to the program as well.

Section 1.3 of the Best Practice Guide states “DCCs must be used to acquire or construct the works for which they were collected and cannot be used for any other purpose (section 935) Therefore a local government should carefully consider broad policy matters and technical issues prior to establishing DCCs.” UDI believes this to be relevant to the sector based DCC program applied by the City of Kelowna and historical collections of DCC reserves.

For Stewart Road, why a contingency of 30%? The majority of this road design has been completed to 95% detail, and substantial segments were completed in 2020/2021. The contingency was 15% in 2018 and has jumped to more than double in 2021 program? Please explain.

**UDI Question:** Project cost sheets weren't provided for Lakeshore 1 Road DCC programs

**City Answer:** We do not have a project sheet for the Lakeshore Road, ATC or Bridge works for the new DCC program as these works are underway and expected to be completed prior to adoption of the DCC Bylaw. The constructed works should not be included in the proposed DCC Program.

**UDI Response:** Can you please provide a revised equivalent unit cost for the Sector with the removal of these programs? They represent just under 10% of the direct allocation of transportation infrastructure cost to the program allocated to Sector B as a stand-alone. Please also provide a project cost reconciliation allocating the amount of funds that were taken from the Sector DCC reserve balance and City/taxpayer portion contribution for these projects.

**UDI Question:** Frost 1- A new roundabout (single line item) at Chute Lake for \$1M has been added to this road project since 2018, along with 2 bus stops. This should be reviewed with an engineer as to the added benefit of this significant cost, and whether it is appropriate to assign 100% to new development, as it currently stands. It seems that this is a standalone project to address the deficiency of an existing safety issue at the Chute Lake Cr. and Chute Lake Road intersection.

**City Answer:** The original quantities and scope of this project were developed under the 2030 20-Year Servicing Plan which was adopted in 2011. This is the extension of Frost Road and the roundabout which are creating a new link between Gordon Drive and Chute Lake Road, anticipated to be well used serving future growth in Sector B. The City's 2040 Transportation Master Plan guided by our Transportation Planning Department made up of Planners and Engineers have informed the new scope, costing and equitable cost apportionment to growth for this project.

**UDI Response:** Does the City have a Dev. Engineering Bylaw standard for 1 or 2 lane roundabouts? Why does the program uses lump sum estimates rather than detailed design costs? Can the City provide a breakdown of how these costs are estimated?

While UDI is in agreement that the intersection may be well used, it will be well used by the entire population of sector B and should have at least a proportionate allocation to EB as such.

Cok failed to respond to the question regarding the transit stop upgrades? Is this really a 'new growth' item, or would transit stops have a greater allocation to EB?

A recent quote for construction was received for significantly less than the DCC estimate. Where do the cost differences exist? Have alternatives been considered for funding to extend the project early at significant savings?

Given the detailed level of design, is a 30% contingency applicable?

**UDI Question:** As a general question: When road projects have been fully funded from DCC charges collected, but the project isn't advanced, who is responsible for the cost increases due from the delay? McCulloch is a specific project to address this concern.

**City Answer:** Cost increases are shared consistent with the funding splits in 20-Year Servicing Plan between existing users (City funds) and growth (DCC funds). Project delivery is determined through assessment of the demand on the road network, available reserve funding and holistic considerations

such as coordination with utility projects, opportunities to leverage grants and partnerships and overarching community objectives. The McCulloch project is a good example of the City revising DCC project timing to achieve an overall optimal outcome for the community. The DCC project is only a portion of a much larger scale project that involves a replacement of the KLO bridge (non-DCC funded) and water/wastewater (non-DCC funded) infrastructure all to be coordinated to achieve cost efficiencies, reduce land impacts, utilize grant funds and increase community safety.

**UDI Response:** In the situations where a project is DCC funded, and the funds have been received, the project commitment should be “frozen” at that time. While we can appreciate that the objective is to coordinate to achieve cost efficiencies for the City, the delays are resulting in cost increases to the DCC project that are borne solely by the DCC group, but were not a result of development or growth, but rather a funding strategy and implementation timing choice adopted solely by the City. The increase in costs as a result of delays at that point should be factored in with the coordinated utility projects and offset the savings to show the true cost or savings of the scheduling and coordination. The impression is that certain DCC projects are being shifted to align with other community objectives that are not growth-related in an effort to recover some costs of unrelated projects from the DCC funding sources. The ‘transportation’ program seems to be used increasingly as a way to upsize, replace, or oversize existing utility infrastructure and fit it under the umbrella of a ‘growth related’ road improvement project.

#### **4. Blanket Costs allocations in Project Cost Sheets**

**UDI Question: Traffic regulation 01 55 00.01** – Applies to greenfield projects with light traffic regulation. E.H. Clement 2, SPR, Burtch 2, Gordon 1, Hollywood 5&8. Greenfield traffic regulation costs appear excessive.

**City Answer:** SPR and Gordon 1 do not apply as the City obligation is based on a fixed contract. Traffic regulation varies a lot by project (infill vs. greenfield). Recent tenders have seen about 3-3.5% on urban retrofit or major road projects where there is a lot of traffic to manage. Traffic management will be lower for greenfield projects but other items like environmental protection or property accommodation can be higher.

**UDI response:** Traffic regulation as a whole seems to have been applied at a high rate across the program. As this item is also subject to the high contingency rate, it ultimately accounts for 4.5% of the DCC program cost and should be reviewed and refined on a project by project basis.

**UDI Question:** Active Transportation includes a “Benefit to existing contingency” for almost \$30M (it reduces the cost to the DCC program). To me, this indicates that the City knows they have been too aggressive on DCC portion vs existing benefit in the project specific allocations. In 2018 it was a flat 25% allocation to the DCC program, and now it is much higher. Overall, this is a problematic way to present the program, as each project that gets completed will be applied at the inflated rate. This isn’t an acceptable approach.

**City Answer:** The ‘Benefit to existing contingency’ applies to the whole transportation program and is intended to balance the program so that overall the City/DCC funding shares remain close to the splits in the current program. If we rely solely on the engineering analysis, the BTE would have been much lower and the DCC share of the program higher. To keep the funding splits roughly equivalent to the previous program we added additional contingency over and above the 25% contingency we used in the BTE calculations. This additional contingency is spread on a proportional basis for each of the three transportation sectors. This additional contingency will be used to fund unforeseen costs for the City’s share of projects.

**UDI Response:** In the 2020 program, the allocation has shifted for a larger proportion of the AT program being allocated to growth. Based on the growth projection (44,000) to the total population at the end of the period (180,000) the equitable split would be 24% to growth and 76% to existing. This allocation, when the “benefit to existing contingency” is applied, nets out to the approximate allocations in the 2020 program. However, it would be more transparent if the Benefit to Existing allocation was applied to each project in the correct ratio, rather than have the “catch all” contingency that won’t get applied or reduced appropriately as individual AT projects are completed. It simply works as a “slush” account for the program and will cause reconciliation and accountability problems moving forward. This would not likely be recognized as an appropriate or supportable line item following the Best Practice Guide or Ministry review for the same concerns addressed above.

**“Catch-All” Annual Maintenance or Improvement projects:**

Overall there has been a significant shift in the 2021 program to add 4 separate, catch-all improvement programs that were outside the scope of the DCC program in the previous 2030- 20 Year Servicing Plan and Financing Strategy, and these new ‘programs’ are allocating a significant amount of funds to the DCC Program:

1.	Road Safety Improvements	\$29.95M
2.	Major Intersection Capacity Improvements	\$29.72M
3.	Traffic Signals & Roundabouts	\$11.3 M
4.	Urban Centre Streetscaping	\$13.55M

This represents \$84.52M of annual upgrade/improvements, of which \$45.98M is funded by growth. Are these qualifying programs and expenditure? Particularly the “Urban Centre Streetscaping” which is not providing any form of increased capacity and is described as “improving conditions for walking, shopping patios, and supporting local businesses”

**5. Park Development DCC eligibility**

It seems as though there is an ongoing misalignment with the Parks Development DCC and the OCP objectives. Through an analysis of the proposed Parks Development Master Parks List,

While infrastructure investment for the reconfiguration and redevelopment of existing park assets, particularly Recreation and City-wide parks, does achieve improved park capacity, it does NOT improve the ratio of developed land area to match the OCP objectives of 2.2 Ha of Developed Parks per 1000 people.

For this reason, the City should re-consider other, more appropriate measures for achieving targets for different categories of developed parkland if the primary development projects for the 20 year servicing plan are focused on the enhancement of existing parkland assets.

Further, While Parkland Improvements are an allowable DCC cost under S.559(2)(b) of the *Local Government Act*, the DCC Best Practices Guides limits the scope of these improvements to a set list, including: fencing, landscaping, and playground equipment. A Provincial Circular (Circular 97:04), which was released soon after the legislative enactment that introduced Parkland Improvements as allowable DCC costs, clarified that the primary purpose of the Parkland DCC was land acquisition; the improvements should not be a significant portion of the DCC costs. There seems to be an implied conflict with this stated purpose if the DCC Development funds are not applied to actually **develop the**

**same parcels** that are being acquired. Rather, the program is allocating the majority of the development funds to existing park assets, which does not meet the stated OCP objectives of **adding or increasing** hectares of developed parkland to the existing calculations. The current program is primarily enhancing the existing assets, while still placing the burden of acquiring new assets, which then have no derived benefit to the community without matching development funds to see them constructed as active park assets.

Thank you for your efforts and we greatly appreciate the time invested in the consultation process with UDI. As one final note, UDI would like to reiterate the request that has been consistent throughout the major and minor DCC review processes in the last several years with regard to DCC program. UDI requests two procedural items below which we would like to formally have acknowledged as part of the updated overall DCC program policy as a commitment:

### 1. Changes to Project Scope and Timing

**UDI Question:** UDI would like a process for being notified when major changes to project timing and/or scope occur

**City Response to cost and timing changes:** The City is open to meeting with UDI as required to discuss major changes to project timing, cost and/or scope. We can agree to the most appropriate timing for meetings as part of the implementation plan of this year's update.

The City updates the 10-Year Capital Plan annually which includes all the DCC projects planned for the next 10 years. This along with the Council approved Financial Plan would be good reference material for UDI.

### 2. Annual reconciliation of DCC program

The Local Government Act stipulates:

#### **Annual development cost charges report**

- 569**
- (1) Before June 30 in each year, a local government must prepare and consider a report in accordance with this section respecting the previous year.
  - (2) The report must include the following, reported for each purpose under section 559 (2) and (3) [*purposes of imposing development cost charge*] for which the local government imposes the development cost charge in the applicable year:
    - (a) the amount of development cost charges received;
    - (b) the expenditures from the development cost charge reserve funds;
    - (c) the balance in the development cost charge reserve funds at the start and at the end of the applicable year;
    - (d) any waivers and reductions under section 563 (2) [*development for which charges may be waived or reduced*].
  - (3) The local government must make the report available to the public from the time it considers the report until June 30 in the following year.

In accordance with the provisions above, UDI would like to be notified and provided with a copy of the annual development cost charges report on an ongoing basis.

Sincerely,

**URBAN DEVELOPMENT INSTITUTE OKANAGAN CHAPTER**

Per: Jennifer Dixon, Chair of UDI Okanagan

Per: Luke Turri, Chair of UDI Okanagan

Cc: Doug Gilchrist, CAO, City of Kelowna