



URBAN DEVELOPMENT INSTITUTE- OKANAGAN CHAPTER

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Office of the Inspector of Municipalities
PO Box 9490 Stn Prov Govt
Victoria, BC, V8W 9N7

Attention: Tara Faganello, Assistant Deputy Minister, Local Government Division

Subject: City of Kelowna Parks Development DCC Bylaw

We are contacting you today because of our concerns with the City of Kelowna's new proposed Parks Development DCC Bylaw. We have been engaged in consultations with City of Kelowna staff on this matter as far back as June, 2018 and have had a number of meetings and other correspondences with the City since then where we have outlined our concerns on this important matter. We would like to draw attention to some key reasons why we believe that this bylaw should not be adopted in its current form. It is important to note that, generally speaking, the Urban Development Institute – Okanagan Chapter is in support of a properly formulated and implemented parks development DCC. However, for the reasons outlined in more detail below, we believe this bylaw needs to be revisited and refined to follow the Local Government Act, the DCC Best Practices Guide, and the true intent of DCC's where new development pays for new development infrastructure, not existing deficits.

Existing Park Deficit Should Not Be Funded Through Parks Development DCC

The City of Kelowna has already designated certain parks that need to be created to service the existing population. In May 2017 the City of Kelowna was presented with a "Parks Development Report; A study of underdeveloped, undeveloped and future park sites." This report is predicated upon the premise that the City of Kelowna has committed to the provision of 2.2 ha of active parkland per 1000 residents.

The report outlined a Park Provision "Report Card" summary for each subcategory of park, breaking down the parkland currently provided per 1000 residents into categories of "underdeveloped" and "undeveloped" and "completed". To the extent that parks had been identified as underdeveloped or undeveloped in this report, they should be considered an existing deficit, and by definition, not growth-related.

Put in simple terms, if all development ceased today, in order to satisfy its stated mandate of providing 2.2 ha per 1000 residents, the City of Kelowna has an existing park deficit of underdeveloped and undeveloped parkland to develop to meet that mandate, based on existing population.

In calculating the new parks development DCC, a significant number of parks that have been previously identified in the report are now being viewed as parks funded through the new Parks Development DCC.

It is not appropriate that parks previously identified to service the existing population be included in the new Parks Development DCC.

A summary of these parks is included in Appendix "A".

These parks should be removed from the proposed Parks Development DCC Bylaw for both unit rate calculations, and as allowable projects for DCC expenditure, because they represent an existing benefit (infrastructure deficit). The only parks that should be funded through the new Parks Development DCC are parks that are needed to service new growth. These previously designated parks should be funded through general taxation or other options available to the municipality not funded by new development.

Excessive Costs on 'DCC' Parks vs. Parks Developed outside of the DCC framework

It is also worthy to note that when doing a comparison of the 'cost per Ha' calculation on DCC parks vs those Parks the Planning Department identified as being outside of the scope of the DCC program, the average cost per Ha of the 'DCC' parks was consistently higher.

The removal of the noted 'existing deficit' parks from the program and calculation results in a 30% overall cost reduction on a per Ha basis, down to \$1.845M per Ha compared to \$2.666M per Ha currently proposed by the City for the new parks development DCC.

Misalignment of 'developable park area' definition to 'total park area' when providing 2.2 Ha per 1000 provision

UDI feels that the park development spending should be matched to specific park acquisition projects, or fully undeveloped park sites, in order to more accurately pair the cost of developing a complete park space. It is much more expensive to 'retrofit' a very specific element of an existing park that only represents a small portion of the overall park site. When calculating a per Ha development cost on this basis, it also inappropriately skews the data on what 'should' be required to construct a complete buildout of a specific park development project.

Excessive Costs on 'Basic' Park Development Elements

UDI has some further concerns with the cost estimates for some of the projects that the City has identified in this bylaw and believes that some of them may be excessive. An example of this is the fact that the City has budgeted over \$800,000 for a single washroom as a basic park requirement (when you include contingency and other fees added to the line item estimated cost). We believe that the City does not need to spend the amount of money it is currently allocating to get the parks finished to a standard that is usable for people.

Aggressive application of items deemed to be 'eligible' Parks Development DCC items

The Local Government Act clearly identifies 'sports courts' as ineligible elements and liberties have been taken to include these items where possible to 'push' the costs onto development and new growth. A good example is Dehart Park (a park planned to be developed over 10 years ago), which allocates 'high quality washed sand for sportsfields' for a sand volleyball court as an eligible cost under "topsoil and finish

grading” at a line item cost of \$1.675 million. When you include the 25% applied class D contingency to this line item, an amount of over \$2.1 million is being charged to the DCC program and calculation.

Bylaw Amendment Does Not Follow the Local Government Act

Section 559 (2)(b) clearly states that the DCC may be imposed **if** it provides “*service, directly or indirectly, to the development for which the charge is being imposed.*” It is not realistic to suggest that a neighbourhood park in one area of town directly or indirectly services a new development in another area of town. A sector based approach to this DCC would be more acceptable.

Section 560 (2) states that “*The inspector may refuse to grant approval under subsection (1) if the inspector determines that - (a) – the development cost charge is not related to capital costs attributable to projects included in the financial plan for the municipality...*”

The Parks Development DCC is not in the currently approved Financial Plan, as required by legislation. In fact, the current financial plan specifically notes funding sources for parks development, including a line item for DCC set to zero, indicating plans to develop these parks without funding from DCC’s. Many of the parks in the proposed DCC program are not identified in the Financial Plan and, further, several of the Recreation Park Projects currently included for the calculation of costs are noted as “not identified in 2030 Capital Plan” in the city’s 2017 Parks Development Report, including the re-design of field layout for Parkinson Rec and Rutland Rec.

Section 564 (4) (c) states “*...a local government **must** take the following into consideration: (c) the provision of park land described in an official community plan.*” The current approved OCP specifically speaks to a parks acquisition DCC (among other DCC’s) but does not allow or contemplate a parks development DCC. Section 564(4) (f) states that the municipality **must** consider “*...whether the charges will, in the municipality or regional district: (i) deter development; (ii) discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land...*”. This proposed DCC has a significant impact to development, with that impact being the largest on the smaller, more affordable units. Based on all the information provided in this letter, we believe this proposed DCC will in fact deter development and any development that is constructed will not be reasonably priced due to the added cost of development.

It is therefore our understanding that the City of Kelowna is contravening the Local Government Act by moving to adopt a Parks Development DCC Bylaw before having first amended its OCP and Financial Plan to reflect a Parks Development DCC. By first adopting a revised OCP and a Financial Plan that addresses a parks development DCC, the city would properly go through a public consultation and public hearings so that the local residents can have the ability to provide their feedback to staff and Council.

We encourage the inspector to **not grant approval** of this proposed DCC bylaw for the reasons identified above.

We would be happy to discuss further if given the opportunity.

Thank you in advance for your consideration.

Sincerely,

URBAN DEVELOPMENT INSTITUTE OKANAGAN CHAPTER

Per: Rich Threlfall, Chair of UDI Okanagan

A handwritten signature in blue ink, appearing to read "R. Threlfall".

Cc: Mayor and Council, City of Kelowna

Preserve