

## Kelowna developers could be stuck with hike in fees

Ron Seymour | Posted: Monday, March 7, 2016 9:51 pm

Gradual increases in development cost charges would be better than considerable fee hikes every five years, says Kelowna Councillor Luke Stack.

The city should consider linking the fees — which are paid by developers for things like new parks and water system improvements — to the inflation rate, Stack suggested at Monday's council meeting.

“I think we could really minimize the impact,” said Stack, who suggested the approach would better help builders incorporate fee hikes into their construction plans and pricing strategies for new homes.

“Sounds like a very logical approach in the short term,” agreed Coun. Charlie Hodge.

But for now, city staff are proposing to raise DCCs between five and 15 per cent, effective in May.

“We're kind of moving forward because it has been five years (since an update was done), and we don't think we can wait to phase this in,” Joel Shaw, a city engineer, told council.

The higher DCCs reflect the increased cost of building city assets like new roads, waterlines and sewer lines, and purchasing land for new parks, Shaw said. Even with the proposed increases, Kelowna's DCCs will be comparable to those in similar-sized cities, council heard.

“I just think it's the cost we have to bear,” said Coun. Mohini Singh, although she added that was easy for her to say because she isn't in the market for a new home.

The DCCs for a new home in the Mission are proposed to be \$37,800, up from \$33,100, while DCCs for homes in a large part of central Kelowna would be \$20,600, up from \$18,900.

In 2010, in recognition of a sluggish building economy that continued after the onset of the recession in 2008, developers' share of major infrastructure projects was reduced by the city. This was achieved, in part, by dropping long-planned road improvements like the four-laning of Lakeshore Road and upgrading of Clement Avenue in the downtown north end.

Those and similar road improvements remain off the city's agenda for now, but they could be reinstated in a few years' time when the official community plan is updated, council heard.

An open house on the higher DCCs proposed by the city will be held March 30 at the Rotary Centre for the Arts. Although members of the Urban Development Institute have warned the higher fees could negatively impact the local construction industry, council is on track to approve the fees for implementation in May.