



Ref: 251228

Rich Threlfall  
Chair, Urban Development Institute (UDI) Okanagan  
210 - 1460 Pandosy St  
Kelowna BC, V1Y 1P3

Dear Chair Rich Threlfall:

Thank you for your letter of December 10, 2019, regarding the City of Kelowna's proposed Parks Development Cost Charge (DCC) Bylaw (BL 11948). As Deputy Inspector of Municipalities, I am happy to address your letter. I should first say, after a thorough review of this bylaw, including the concerns you have addressed in your letter, the Ministry has approved the bylaw.

You brought up some pertinent concerns that we paid close attention to as part of our bylaw review process. Regarding the cost increase in the Parkland Acquisition component of the DCC (excluding improvements), the Ministry concluded that this was a modest increase to reflect the proposed acquisition of new linear parks. The overall Parkland Acquisition DCCs costs were still within an acceptable range of other comparable municipalities, and the parkland DCC standard is consistent with parkland acquisition goals from the City's Official Community Plan (OCP) of 2.2 Ha per 1000 new population.

You expressed concerns about preparation and provision of reasonable supporting documentation by the City. While the current OCP dates to 2010, Kelowna provided the Ministry with a detailed Parks DCC Background Report and a Parkland Development Report, both of which were prepared in past two years, and therefore are reasonably current. In addition, the City assured the Ministry that both the 2020 Financial Plan and 10-Year Capital Plan will include pertinent parkland acquisition and improvement costs.

Regarding your concerns about this City following proper DCC process, after review, the Ministry concluded that the City's DCC engagement process appears reasonable. The City consulted with various stakeholders, held a Public Open House, and provided information on their webpage. The City submitted to the Ministry both letters of concern and support for the new park improvement program.

Regarding the Parkland Development DCCs (for park improvements), this is a more complex issue. The introduction of the \$6,545 DCC per single family dwelling for park improvements was the primary focus of the Ministry's DCC review.

You brought up concerns that some of these charges relate to improvements to existing parks as opposed to being strictly limited to new parks. And, because these charges relate to existing parks, they should not be eligible DCC charges.

Chair Rich Threlfall

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The Ministry has confirmed that some of the charges do relate to existing parks. However, the situation is somewhat more complicated because Kelowna divides its parks into several categories: City-wide, Community, Recreation (i.e. playing fields), and Neighbourhood Parks.

According to Kelowna, the City-wide and Community Parks are larger than Neighbourhood Parks and service much larger catchment areas, which may include new development. Thus, some or all of the improvements to the larger existing parks may be borne by new development, especially if these new improvements are to increase park capacity for a growing population. However, Kelowna assured the Ministry that no DCC Parkland Improvements were earmarked for pre-existing Neighbourhood Parks. After discussion with the City, the Ministry concluded that this was a reasonable allocation of Parkland Improvement costs.

You have also alluded to a more fundamental concern, of which the Ministry is now aware. That is, the scale of Parkland Improvement DCCs. Section 559(2)(b) of the *Local Government Act* clearly includes Parkland Improvements as eligible DCC costs, and Page 2.25 of the DCC Best Practices Guide sets out the list of allowable Parkland Improvements, including: fencing, landscaping, trails, and restrooms.

However, neither the legislation nor the Best Practices Guide sets clear parameters around the scale of Parkland Improvements. The only document that attempts to address the issue of scale is a Ministry Circular from February 25, 1997 (Circular No. 97:04), which states that the government “intended that the increase in DCC resulting from the addition of expenditures to improve parkland would not be significant.” Unfortunately, the Circular does not elaborate on what constitutes the term “significant”.

Therefore, the Ministry intends to seek consultation with the Development Finance Review Committee (DFRC) on the issue of the scale of allowable parkland improvements to be included in DCCs. As UDI is a member of DFRC, your organization will be directly involved in this consultation. We have also informed the City of Kelowna that, while we are approving their Parks DCC bylaw, we will be revisiting the broader issue of Parkland Improvement DCC costs.

Thank you again for writing. I hope this information is helpful. If you would like more context, please feel free to contact Lisa Andres, Provincial Financial Analyst for the Okanagan ([Lisa.Andres@gov.bc.ca](mailto:Lisa.Andres@gov.bc.ca)), or myself ([Liam.Edwards@gov.bc.ca](mailto:Liam.Edwards@gov.bc.ca)).

Sincerely,

A handwritten signature in black ink, appearing to be 'Liam Edwards', with a long horizontal stroke extending to the right.

Liam Edwards  
Deputy Inspector of Municipalities and

Chair Rich Threlfall  
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Executive Director, Local Government Finance and Infrastructure  
Ministry of Municipal Affairs and Housing