



## Committee of the Whole Report

### For the Meeting of March 1, 2018

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**To:** Committee of the Whole **Date:** February 19, 2018  
**From:** Susanne Thompson, Director, Finance  
**Subject:** Development Cost Charges Bylaw Update – Parks and Sewer

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### RECOMMENDATION

That Council direct staff to:

1. Initiate the process for amending the Development Cost Charges (DCC) bylaw to update DCC rates for parks and sewage to reflect newly available engineering and planning information.
2. Replace DCC rates for Parkland Acquisition and Parkland Development with a new rate for Parkland Acquisition and Development as part of the DCC bylaw amendment process.
3. Prepare a bylaw to establish a DCC reserve fund for Parks Acquisition and Development DCCs.
4. Initiate the process with the Ministry of Municipal Affairs & Housing to transfer existing funds in the Parkland Acquisition and Parkland Development DCC reserve funds to a new Parks Acquisition and Development DCC reserve fund.
5. Bring forward the bylaws to the March 8, 2018 Council meeting for introductory readings.

### EXECUTIVE SUMMARY

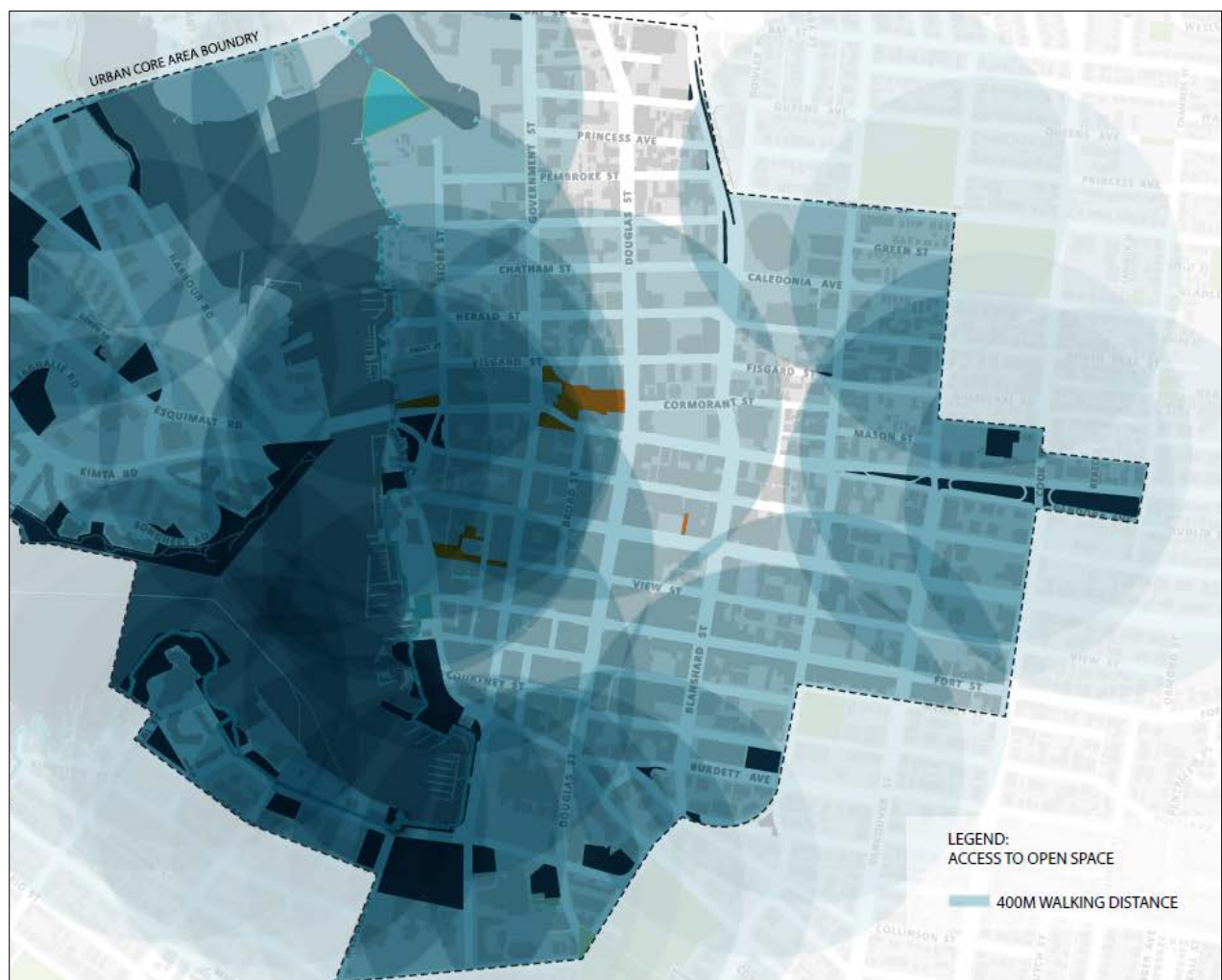
The City's current Development Cost Charges (DCC) bylaw and rates were updated in the spring of 2017. Parks DCC projects and Sewer DCC projects were only partially updated due to the pending completion of the Parks and Open Spaces Master Plan and the update of the Sewer Master Plan. At that time, Council also approved a DCC Policy, which contemplates annual inflationary updates to fees as well as a full review of the Bylaw and fees every five years. As per the *Local Government Act*, DCCs can only be levied to fund City projects that are needed to support population growth. These projects are identified and used to calculate the DCC rates and the portion attributable to growth is determined by technical rationale. The majority of projects within the current DCC program are only approximately 16% attributable to growth and therefore only that portion of the cost of the projects that can be funded by DCCs.

Since the time of the update in 2017, additional infrastructure and land use planning work has also been completed or is underway that would inform an update to the DCC Bylaw. For example, the draft Ship Point Master Plan and the conceptual design for the new waterfront park space resulting from the realignment of the Johnson Street Bridge have outlined new opportunities to create and enhance public park spaces. On December 14, 2017, as part of discussion on the Public Realm Waterfront Design report, Council directed staff to report back on the rationale and implications of merging the parks acquisition and parks development cost charges.

The primary rationale for merging the Parks Acquisition and Parks Development DCCs and reserves is to better position the City to meet the parks needs of its new residents. In addition to retaining the same opportunity to acquire new park space, current opportunities for existing City-owned properties have emerged and combining the parks acquisition and development DCC reserves would allow for the development of those spaces sooner.

For example, identified park improvements to park spaces in and around the downtown area, will require substantial investment in the coming years to respond to the increasing demand brought about by the continued densification of the core. This approach also aligns with the recently adopted Parks and Open Spaces Master Plan, which indicates a priority on ensuring that existing parks are improved to provide a higher quality of service to residents commensurate with higher levels of usage in the future.

This represents a shift from a more traditional park delivery model (i.e. assessed as hectares per capita) to the approach laid out in the Official Community Plan and Parks and Open Spaces Master Plan that focuses more on the proximity of park spaces to residents as well as on the overall quality and flexibility of those spaces.



**FIG. 1: ANALYSIS RESIDENT PROXIMITY TO CURRENT AND POTENTIAL PARK SPACES SERVING CORE AREA RESIDENTS.**

In support of this approach, analysis related to the Downtown Core Area Plan has identified a number of City-owned sites that present substantial opportunities for new park spaces within the Core Area.

These include the proposed expansion to Songhees Park at the western end of the Johnson Street Bridge, new plaza spaces at the eastern end of the JSB, as well as Ship Point, and Harris Green. These spaces, while city-owned, are not currently designated as parks and have significant potential to provide additional park amenities to residents. To do this, significant investments are required to transition these spaces into functional park assets rather than for their acquisition. As these sites are within the fastest growing areas of the City, the collection of DCCs provides a potential funding source to support these required investments.

Other existing park assets such as the David Foster Harbour Pathway, which is already part of the current DCCs for both parks acquisition and development, also require more development funding rather than acquisition funding due to the successful approach of securing statutory rights-of-way rather than purchasing land. This is also the case for other downtown park spaces. Centennial Square and Reeson Park both require additional investments in their development to better support the recreational and open space needs of downtown residents within these existing land assets.

The implication of combining the reserves may be that funding in the merged parks acquisition/development reserve may not be sufficient in the near-term for a purchase of a new property if the funding has been used for parks development. Having said that, there currently is approximately \$5 million within the two reserves so funding would still remain should Council approve the funding for the current waterfront park development opportunity. In addition to DCCs, the City also has a Parks and Greenways Acquisition Reserve with an approximate balance of \$1.5 million, which is available to fund any parks acquisition, not just those related to population growth.

Further, it is anticipated that the combined DCC reserve would be replenished at a rate of approximately \$600,000 to \$800,000 per year based on current DCC rates and projected population growth and development forecasts.

Any update to projects and related rates in the DCC bylaw, in addition to Council approval, also requires approval from the Inspector of Municipalities. As per the *Community Charter*, the transfer of existing Parkland Acquisition and Parkland Development reserve funds to a new Parks DCC reserve fund also requires approval of the Minister of Municipal Affairs & Housing.

## Next Steps

The process steps are outlined and tentative timeline is as follows:

Steps	Tentative Timeline
Council: 1. Adoption of establishing bylaw for new combined Parks Acquisition and Development DCC reserve fund 2. First three readings of transfer of funds bylaw	March
Submit transfer of funds bylaw to Minister of Municipal Affairs & Housing for approval	March submission; estimated time for approval is 6 months
Develop new DCC rates for parks and sewage	March/April
COTW report with new rates and seek direction to consult with development community	April
Consult with development community	Late April
New DCC rates bylaw for consideration of first three readings	May
Submit DCC rates bylaw to Inspector of Municipalities for approval	May submission; will only be approved after the transfer of funds bylaw has been approved
Council: 1. Adoption of transfer of funds bylaw and DCC rates bylaw 2. Repeal bylaw for original parks DCC reserve funds	Upon approval of Inspector

Respectfully submitted,



Susanne Thompson  
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Thomas Soulliere  
Director, Parks Recreation and Facilities



Jonathan Tinney  
Director, Sustainable Planning and  
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Report accepted and recommended by the City Manager:



Date:

FEB 26, 2018