

CITY OF WEST KELOWNA DCC PROJECT - UPDATE

April 5, 2022

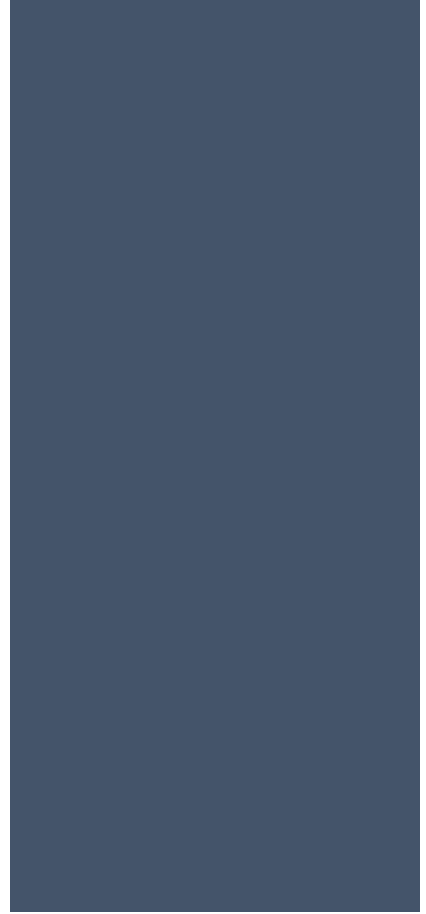
URBAN
SYSTEMS

OVERVIEW

- Brief refresher on DCCs
- Proposed DCCs
- Assist factors
- How we connected
- What we heard
- Our responses to what we heard
- Council direction
- Next steps

WHO PAYS DCCs?

- Applicants for **subdivision approval** to create single family development sites
- Applicants for **building permits** to construct multi-family, commercial, industrial, and institutional development



WHAT CAN DCCs PAY FOR?

- Infrastructure
 - Transportation
 - Water
 - Sanitary sewer
 - Storm drainage
 - Parkland and limited park development

But...these **must** be related to development!



BASIC DCC CALCULATION



Roads DCCs

- While costs for Roads DCC Projects increased by 49%, the DCCs only increase by 41% because some projects were completed such as Boucherie Road from Stuart to Ogden
- The Industrial DCC for Roads decrease partly because we are changing the way the DCCs are calculated and charged
- The revised Industrial DCC approach is calculated and charged based on building floor area rather than parcel area. The floor area method is easier to determine consistently and clearly



Roads DCCs

New DCC Rates		Existing	Proposed	% +
			Roads	
Assist Factor			1%	
Single Family Residential	per lot	\$10,518	\$14,861	41%
Small Lot Single Family	per lot	\$8,761	\$12,379	41%
Small Residential	per unit	\$6,419	\$9,070	41%
Apartment	per sq.m.	\$45.49	\$64.28	41%
Carriage Home	per sq.m.	\$22.10	\$31.22	41%
Commercial	per sq.m.	\$34.83	\$49.21	41%
Industrial*	per sq.m.	\$28.87	\$12.24	-58%
Institutional - care facility	per bed	\$3,020	\$4,267	41%
Institutional - other	per sq.m.	\$34.83	\$49.21	41%
Campground	per site	\$740	\$1,046	41%
Golf course	per ha	\$4,541	\$6,416	41%

Water DCCs

- The costs for water projects increased significantly, but the Water DCCs only went up by 2%
- The primary reasons for this:
 - The City received a very significant grant for the water treatment plant project
 - The portion of some projects allocated to growth is small, in some cases as low as 5% to 10%



Water DCCs

New DCC Rates		Existing	Proposed	% +
			Water	
Assist Factor			1%	
Single Family Residential	per lot	\$2,938	\$3,006	2%
Small Lot Single Family	per lot	\$2,448	\$2,505	2%
Small Residential	per unit	\$2,204	\$2,255	2%
Apartment	per sq.m.	\$19.20	\$19.65	2%
Carriage Home	per sq.m.	\$9.33	\$9.54	2%
Commercial	per sq.m.	\$7.35	\$7.52	2%
Industrial*	per sq.m.	\$54.40	\$16.70	-69%
Institutional - care facility	per bed	\$1,224	\$1,253	2%
Institutional - other	per sq.m.	\$9.79	\$10.02	2%
Campground	per site	\$727	\$744	2%
Golf course	per ha	\$16,160	\$16,533	2%

Sewer DCCs

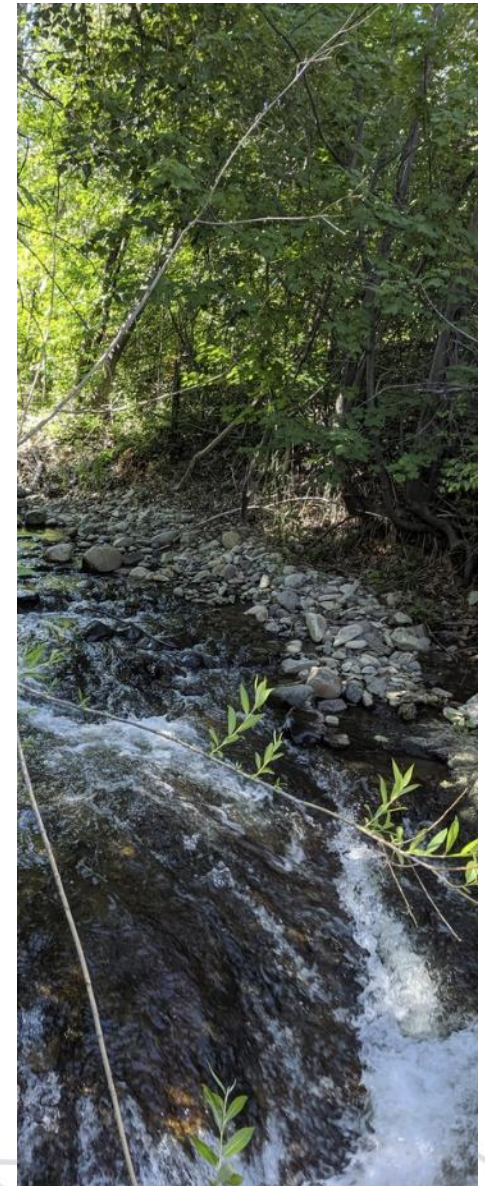
- The costs for sewer projects increased significantly
- Some new sewer projects were added, including sewer lift stations where part of the upgrade will be to address increasing flows
- While the Sewer DCC increases by about 200%, the Sewer DCCs are quite small, so the 200% increase in the sewer DCC only adds about **\$170** to the cost of a single family lot.

Sewer DCCs

New DCC Rates		Existing	Proposed	% +
			Sewer	
Assist Factor			1%	
Single Family Residential	per lot	\$85	\$256	200%
Small Lot Single Family	per lot	\$71	\$213	200%
Small Residential	per unit	\$64	\$192	200%
Apartment	per sq.m.	\$0.56	\$1.67	198%
Carriage Home	per sq.m.	\$0.27	\$0.81	201%
Commercial	per sq.m.	\$0.21	\$0.64	204%
Industrial*	per sq.m.	\$1.57	\$1.42	-9%
Institutional - care facility	per bed	\$36	\$107	200%
Institutional - other	per sq.m.	\$0.28	\$0.85	204%
Campground	per site	\$0.00	\$0.00	
Golf course	per ha	\$0.00	\$0.00	

Storm Drainage DCCs

- The costs for storm drainage projects increased significantly
- The original Storm Drainage Master Plan was done back in 2011
- Compared to actual construction costs, the costs for the projects listed in the Master plan were very low
- Some new storm drainage projects were added,
- While the Storm Drainage DCC increases by about 160%, the DCCs are relatively small, so the 160% increase in the sewer DCC only adds about **\$400** to the cost of a single family lot



Storm Drainage DCCs

New DCC Rates		Existing	Proposed	% +
			Storm	
Assist Factor			1%	
Single Family Residential	per lot	\$250	\$653	162%
Small Lot Single Family	per lot	\$187	\$490	162%
Small Residential	per unit	\$143	\$373	162%
Apartment	per sq.m.	\$1.14	\$2.99	162%
Carriage Home	per sq.m.	\$0.95	\$2.49	162%
Commercial	per sq.m.	\$0.44	\$1.16	164%
Industrial*	per sq.m.	\$5.53	\$4.35	-21%
Institutional - care facility	per bed	\$58	\$152	162%
Institutional - other	per sq.m.	\$0.37	\$0.98	165%
Campground	per site	\$0.00	\$0.00	
Golf course	per ha	\$0.00	\$0.00	

Residential Parks DCCs - Equal Rate vs Gradient

- Currently the City has a gradient with lower Parks DCC for multifamily compared to single detached residential
- Now proposing to have the Parks DCCs be exactly the same for single detached and multi family
- While the number of people per unit may be slightly less for apartments than for homes on individual lots, the apartment dwellers have a higher need for parkland since they don't have back yards they can use
- Keeping the charge the same for both recognizes that slightly more land per capita is required for higher density developments

Parks DCCs for Commercial

- Many communities are charging Parks DCCs for Commercial and Industrial uses
- Decision was to proceed with the Commercial Parks DCCs and not the Industrial Parks DCCs
- Commercial uses have an impact on parks through various uses such as accommodation, recreation, entertainment, auto services, food and beverage, and retail
- Industrial uses will have a limited impact on parks since by the definition in the DCC bylaw the Industrial uses are “uses not provided directly to consumers or the public”
- The amount of potential revenue generated by Industrial would be low
- The City could reconsider the Industrial Parks DCC once an Industrial Strategy has been prepared

Parks DCCs

New DCC Rates		Existing	Proposed	% +
			Parks	
Assist Factor			1%	
Single Family Residential	per lot	\$4,691	\$6,867	46%
Small Lot Single Family	per lot	\$3,909	\$6,867	76%
Small Residential	per unit	\$3,518	\$6,867	95%
Apartment	per sq.m.	\$30.66	\$67.33	120%
Carriage Home	per sq.m.	\$14.89	\$21.80	46%
Commercial	per sq.m.	\$0.00	\$17.17	New
Industrial	per sq.m.	\$0.00	\$0.00	
Institutional - care facility	per bed	\$1,954	\$2,861	46%
Institutional - other	per sq.m.	\$0.00	\$0.00	
Campground	per site	\$0.00	\$0.00	
Golf course	per ha	\$0.00	\$0.00	

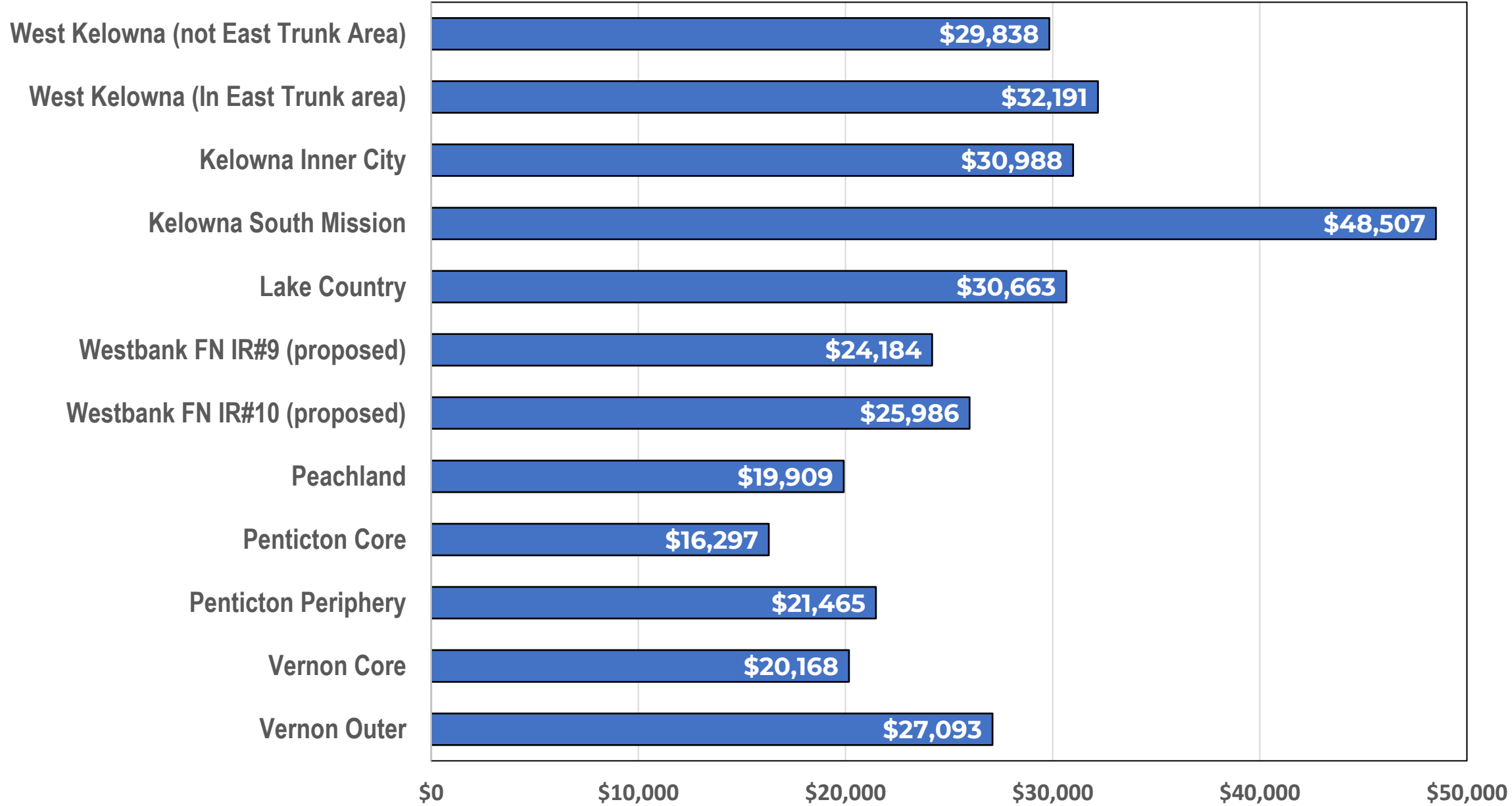
Total DCCs

New DCC Rates		Existing	Proposed	% +
Assist Factor			1%	
Single Family Residential	per lot	\$18,481	\$25,644	39%
Small Lot Single Family	per lot	\$15,377	\$22,455	46%
Small Residential	per unit	\$12,347	\$18,757	52%
Apartment	per sq.m.	\$97.05	\$155.91	61%
Carriage Home	per sq.m.	\$47.54	\$65.87	39%
Commercial	per sq.m.	\$42.83	\$75.69	77%
Industrial*	per sq.m.	\$90.37	\$34.72	-62%
Institutional - care facility	per bed	\$6,292	\$8,640	37%
Institutional - other	per sq.m.	\$45.27	\$61.06	35%
Campground	per site	\$1,467	\$1,790	22%
Golf course	per ha	\$20,700	\$22,949	11%

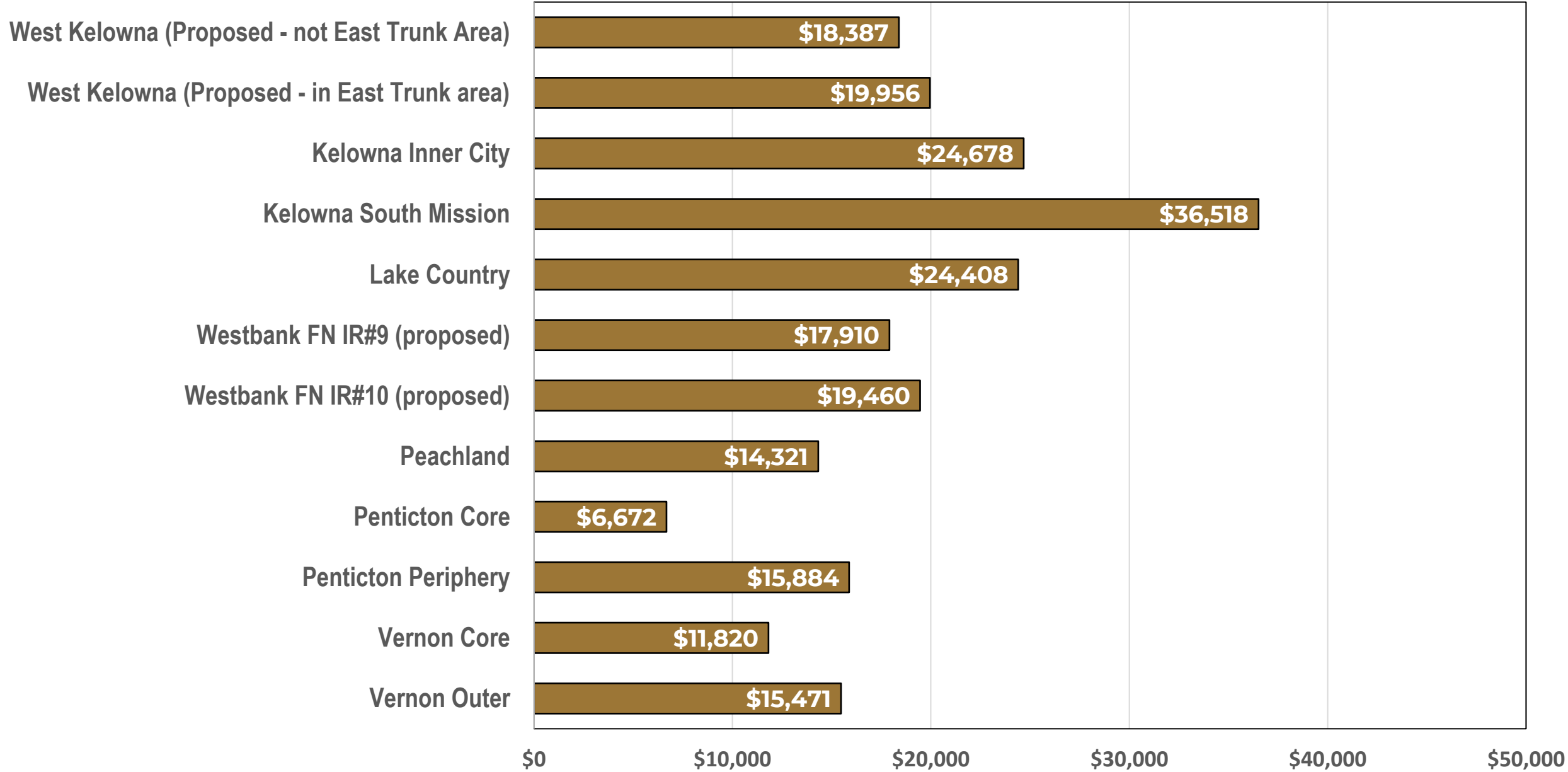
West Kelowna DCCs plus Regional DCCs

- Remember: RDCO Treatment Plant and East Trunk DCCs add:
 - \$4,194 to the total DCCs for areas in West Kelowna outside the East Trunk Service Area
 - \$6,547 to the total DCCs for areas within the East Trunk Service Area (Lakeview Heights, Mt. Boucherie, Mission hill area)
- For Single Family residential:
 - \$25,644 West Kelowna plus \$4,194 RDCO = **\$29,838** outside East Trunk Area
 - \$25,644 West Kelowna plus \$6,547 RDCO = **\$32,191** inside East Trunk Area

Comparison of Valley Single Family DCCs (includes Regional DCCs)



Comparison of Valley Multi Family DCCs (includes RDCO DCCs)



ASSIST FACTOR

- City must provide assistance to pay costs of off-site infrastructure required by development
- Extent of assist factor at Council's discretion
- Can vary by service (i.e., roads different than water)
- Cannot vary by area of community, or land use

ASSIST FACTORS

Comparisons of Assist factors

	Roads	Sewage	Drainage	Water	Parks
West Kelowna	1%	1%	1%	1%	25%
Kelowna	15%	1%	n/a	1%	8%
Peachland	1%	1%	1%	1%	1%
Penticton	5%	15%	3%	15%	5%
Lake Country	1%	1%	1%	1%	1%
Vernon	1%	1%	1%	1%	1%

ASSIST FACTOR

- Current Parks DCC assist factor is 25%
- Established in 2016 to help gradually introduce parks DCCs
- Shifting to 1% assist for parks
- Consistent with Roads, Water, Sewer and Storm Drainage

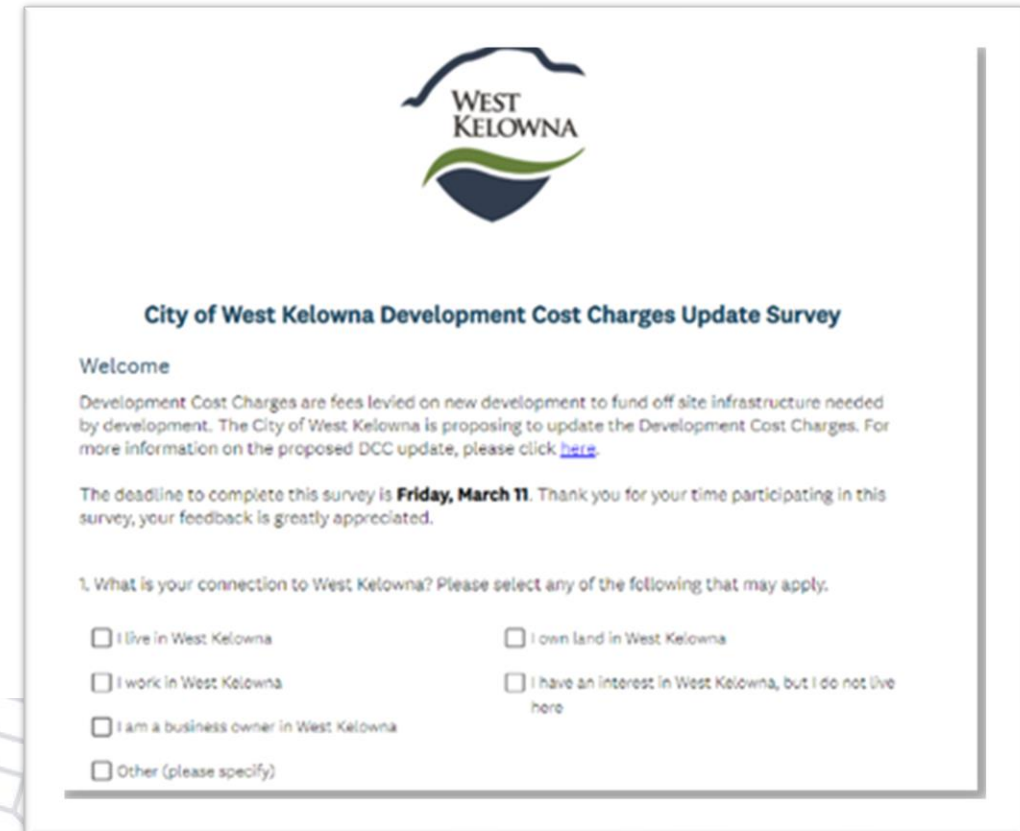
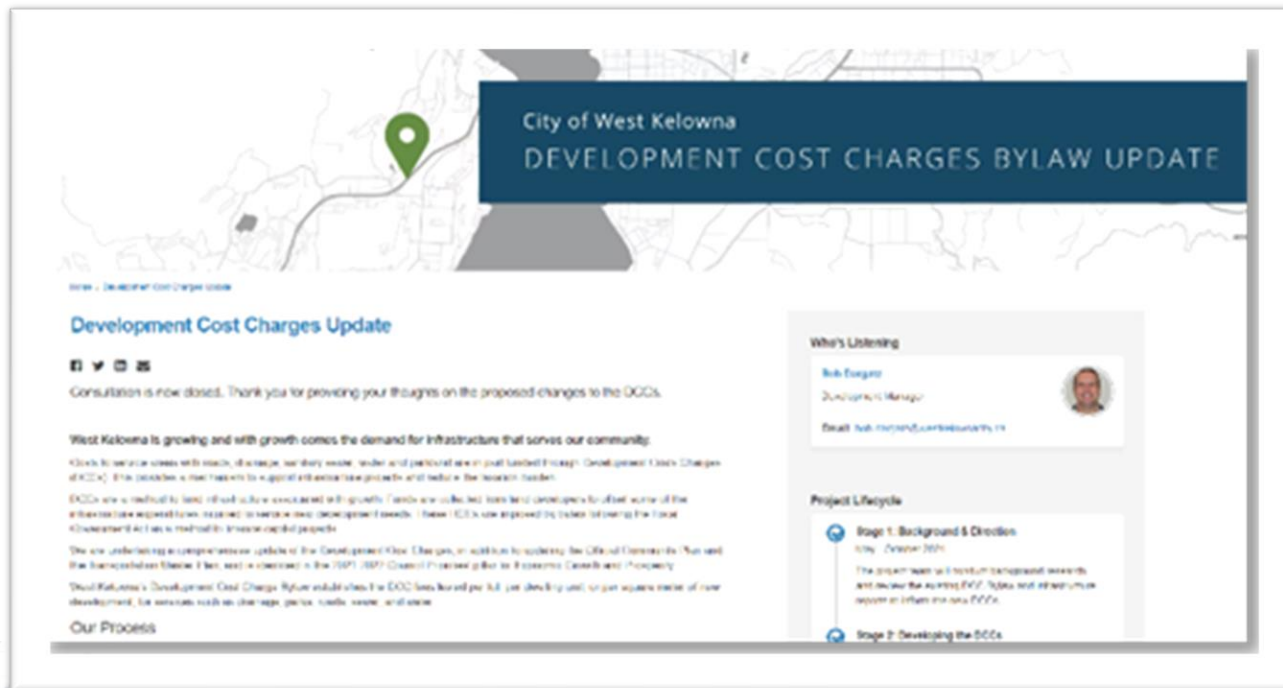
HOW WE CONNECTED

- On February 23, 2022 from 4 pm to 6 pm the City of West Kelowna held a virtual Development Cost Charges Update Stakeholder Session
- An online survey was open from February 23 to March 11, 2022 to gather feedback from the community on the DCC update. Also emailed survey to Stakeholders Session attendees
- An OCP, TMP and DCC Open House was held on March 3, 2022 at the Cove Lakeside Resort. A DCC fact sheet handed to all 90 attendees



HOW WE CONNECTED

- A project webpage containing project information, important links, FAQs, key documents and presentations, and a question and comment submission box was hosted on the City's OurWK.ca online engagement platform



HOW WE CONNECTED

HOW WE CONNECTED



135

visitors to online
engagement platform
OurWK.ca DCC
Update Page

Aware: **96** (viewed the project page)

Informed: **27** (clicked through content)

Engaged: **1** (questions/comments made)



1,409

unique page views to the
City's main webpage



3,441

recipients of e-News



90

attendees at the OCP, TMP
and DCC Open House

WHO WE HEARD FROM

WHO WE HEARD FROM



18

responses to the
online survey



17

attendees at the
Developer Stakeholder
Session

WHAT WE HEARD – Key themes

- Development Community and UDI
 - DCCs are increasing which will lead to an increase in the cost of housing
 - Existing benefit is not being properly accounted for with the Roads and Parks DCCs
 - The Municipal Assist of 1% is unfair to new growth and the assist percentage should be increased
 - The Parks DCC should take into consideration the impact of heavily used trails as well as school facilities

WHAT WE HEARD – Key themes

- Resident / Taxpayer online survey responses
 - The majority of comments focus on the need for growth and new development to pay for its burden on infrastructure
 - A few comments focus on reducing the level of service, looking for other ways to generate revenue, along with concern over the magnitude of the increase
 - A few comments with concern over the rate of growth

RESPONSES

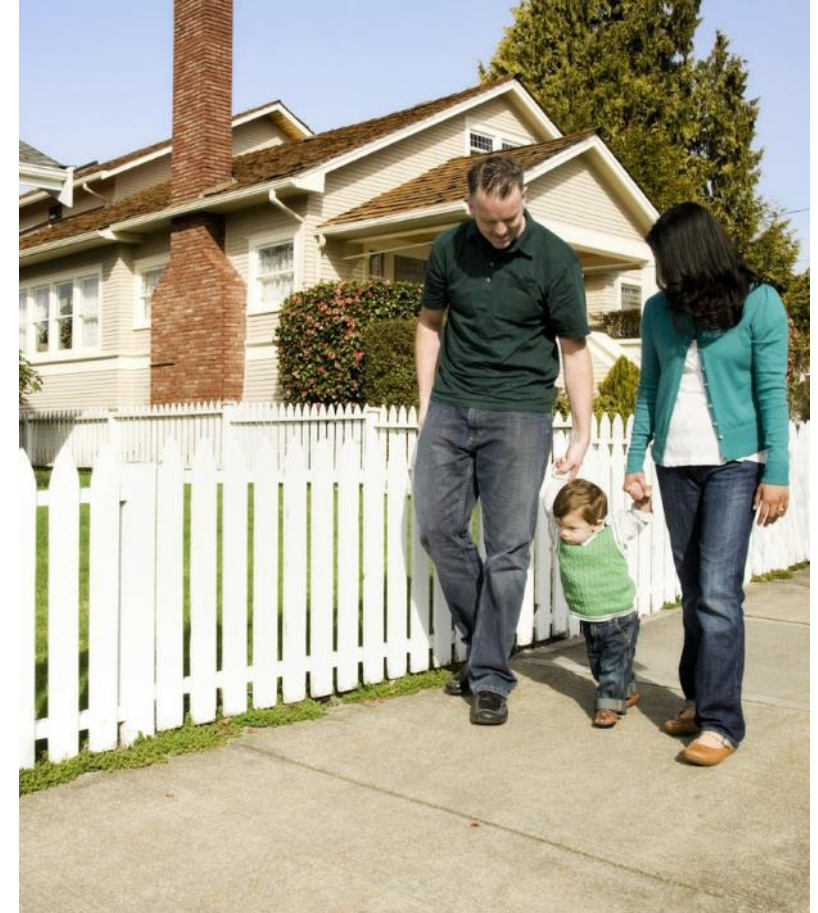
- Assist Factor
 - Request from development community and UDI to increase the Assist Factor
 - We had discussed the assist factor earlier in the process and reduced the parks assist from 25% to 1%. All other services have 1% assist
 - Reminder that assist amount needs to be paid by other sources of revenue such as property taxation

RESPONSES

- Key question for Council:
 - Do you want to increase the DCC assist, which would require increasing property taxes, or other sources of revenue, to provide a subsidy to new subdivisions and buildings?

RESPONSES

- Minimizing Impact on Cost of Housing
 - Concern over impact on cost of housing
 - Could increase assist factor
 - Can consider reductions for affordable and rental housing – case by case
 - Housing is complex – costs depend on market
 - City working on a number of initiatives – Regional Housing Strategy, Official Community Plan



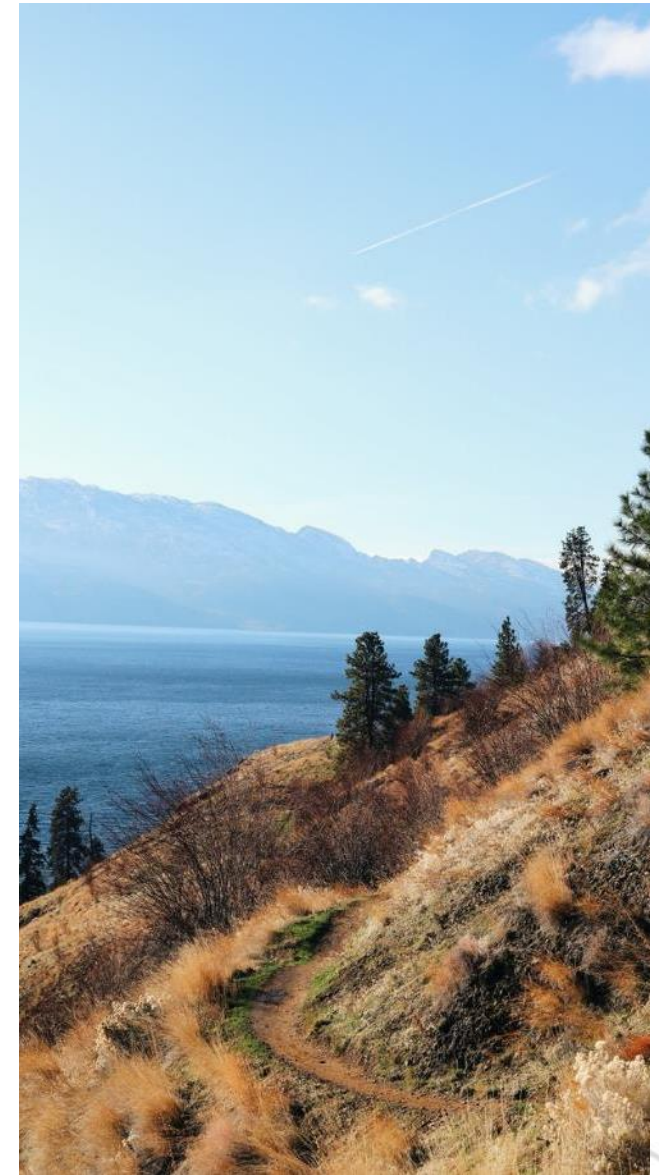
RESPONSES

- Transportation level of service
 - Concern that we are building Cadillac roads when a Chevy will do e.g. Boucherie wine route
 - Transportation Master Plan is under way and will address level of service
 - City is currently examining standard for Boucherie
- Transportation allocation of costs to growth
 - Based on traffic volumes and parts of project required to serve growth



RESPONSES

- Parks - Trails
 - Concerns that that lands for natural areas and trail corridors are not acknowledged in parkland dedication or in DCC calculations
 - City now has a Park Land Acceptance Policy recently adopted in fall 2020
 - DCCs focus on demand for Waterfront, Athletic and Community parks, not Nature parks or Linear parks



RESPONSES

- Parks – School facilities
 - Concerns that school facilities do not appear to count towards the total amount of park space needed even though they do provide this function to the community
 - The Parks and Recreation Master Plan recognizes the important role that School facilities provide in the community, in particular for Athletic parks and Neighbourhood parks
 - The City of West Kelowna and School District #23 have a long and successful history of cooperation and partnership



General Comments

- Comments from the development community trend towards:
 - concern over the magnitude and impact of the increases
 - explore ways to reduce the increase through higher assist or a reduction in the level of service
- Respondents to the online survey generally support the idea that growth should pay for growth and developers should bear a majority of the cost related to infrastructure development
- Representative of the balance that Council needs to consider

NEXT STEPS

- Follow up meeting with UDI
- If Council decides to proceed, then the next steps after meeting with UDI are as follows:
 - Prepare the formal DCC background report for the Ministry
 - Prepare the DCC bylaw
 - Provide the background report and bylaw for Council to consider for three readings
 - Send the background report and bylaw to the Ministry and the Inspector of Municipalities for approval – this can take 2 to 3 months
 - Once approved by the Inspector, Council can give the bylaw final adoption

In-stream protection

- If developers get complete application to the City the day before the adoption date, they have a year to complete approvals and still pay the old rates
- Need approval of subdivision or issuance of building permit within 1 year of new DCC bylaw adoption to get old rates
- If developers get application into the City after the bylaw comes into effect, they need to pay the new rates

Moving Forward with Next Steps

- Key Question for Council:
 - Can we move forward with preparing the formal background report for the Ministry and the DCC bylaw for Council to consider for three readings?



THANK YOU