

**City of Kelowna
Regular Council Meeting
AGENDA**



Monday, June 17, 2019

9:00 am

Knox Mountain Meeting Room (#4A)

City Hall, 1435 Water Street

Pages

1. Call to Order

2. Confirmation of Minutes

3 - 6

Regular AM Meeting - June 10, 2019

3. Reports

3.1 Parks Development Funding Strategy

90 m

7 - 292

To provide Council with a more detailed analysis of proposed changes to parks development funding prior to proceeding with engagement with the public and key stakeholders.

3.2 Council Code of Conduct Policy

10 m

293 - 311

To provide Council with background information regarding the creation of a Council Code of Conduct Policy.

4. Resolution Closing the Meeting to the Public

THAT this meeting be closed to the public pursuant to Section 90(2) (b) of the Community Charter for Council to deal with matters relating to the following:

- Confidential Information from the Province

5. Adjourn to Closed Session

6. Reconvene to Open Session

7. Issues Arising from Correspondence & Community Concerns

7.1 Mayor Basran, re: Issues Arising from Correspondence

30 m

8. Termination



**City of Kelowna
Regular Council Meeting
Minutes**

Date:	Monday, June 10, 2019
Location:	Knox Mountain Meeting Room (#4A) City Hall, 1435 Water Street
Members Present	Mayor Colin Basran, Councillors Maxine DeHart, Ryan Donn, Gail Given, Charlie Hodge, Brad Sieben, Mohini Singh, Luke Stack and Loyal Wooldridge
Staff Present	City Manager, Doug Gilchrist; City Clerk, Stephen Fleming, Divisional Director, Active Living & Culture, Jim Gabriel*; Social Development Manager, Sue Wheeler*; Divisional Director, Human Resources & Community Safety, Stu Leatherdale*; Acting Director, Community Safety, Lance Kayfish*; Divisional Director, Corporate Strategic Services, Carla Weadon*; Communications Advisor, Maria Lee*; Divisional Director, Infrastructure, Alan Newcombe*; Infrastructure Engineering Manager, Joel Shaw*; Parks & Buildings Planning Manager, Robert Parlane*; Transportation Engineering Manager, Gordon Foy*; Utility Planning Manager, Rod MacLean*; Divisional Director, Partnership & Investments, Derek Edstrom*; Divisional Director, Financial Services, Genelle Davidson*; Legislative Coordinator (Confidential), Arlene McClelland*
Guests	Dr. Silvina Mema*, Medical Health Officer; Deborah Preston*, Community Health Service Administrator, Danielle Cameron*, MHSU Health Service Administrator, Gaelene Askeland*, Executive Director Central Okanagan Journey Home Society

(* Denotes partial attendance)

1. Call to Order

Mayor Basran called the meeting to order at 9:01 a.m.

2. Confirmation of Minutes

Moved By Councillor Donn/Seconded By Councillor Hodge

R593/19/06/10 THAT the Minutes of the Regular AM Meeting of May 27, 2019 be confirmed as circulated.

Carried

3. Reports

3.1 Overview and Update of Interior Health Services

Staff:

- Introduced the team from Interior Health Authority

Dr. Silvina Mema, Medical Health Officer; Deborah Preston, Community Health Service Administrator, Danielle Cameron, MHSU Health Service Administrator

- Displayed a PowerPoint Presentation, re: Overview and Update of Interior Health Services.
- Identified IH key strategies:
 - Primary & Community Care
 - Mental Health & Substance Use
 - Seniors Care
 - Surgical Services
 - Aboriginal Health
 - Health 7 Safety in the Workplace
- Spoke to the delivery of services such as community and home care services; hospital services and long term care service within our community.
- Identified mental health and substance use services in Kelowna.
- Displayed and spoke to the Interior Health Substance Use Service Continuum:
 - Low Barrier Services
 - Withdrawal Management Services
 - Outpatient Treatment Services
 - Early Intervention
 - Crisis & Hospital Services
 - Facility Based Treatment Services
 - Support Recover Housing
- Identified community contracts and partnerships with Interior Health.
- Responded to questions from Council.

Guest, Deborah Preston left the meeting at 9:58 a.m.

Moved By Councillor Donn/Seconded By Councillor Wooldridge

R594/19/06/10 THAT Council receives, for information, the presentation from the Interior Health Authority representatives regarding an overview and update on Interior Health Authority services.

Carried

Remaining guests left the meeting at 11:00 a.m.

The meeting recessed at 11:00 a.m.

The meeting reconvened at 11:07 a.m.

3.2 10- year Capital Plan (2019 to 2028)

Staff:

- Displayed a PowerPoint Presentation 10 Year Capital Plan.
- Identified Council workshop schedule.
- Spoke to the Infrastructure planning process and model.
- Spoke to the Infrastructure challenge;
 - Aging infrastructure
 - Demand for more services
 - Growing community
 - Less funding for infrastructure

- Identified infrastructure investment by service area.
- Spoke to investment by infrastructure categories, new, growth and renewal.
- Identified funding sources.
- Identified changes from the previous 10 Year Capital Plan.
- Responded to questions from Council.

Moved By Councillor Stack/Seconded By Councillor Sieben

R595/19/06/10 THAT Council receives, for information, the report from the Infrastructure Engineering Manager dated June 10th, 2019, with respect to the 10-Year Capital Plan;

AND THAT Council provide direction for infrastructure investment within the 10-Year Capital Plan and for use of the Infrastructure Levy Funding;

AND THAT based on Council's direction, staff report back to Council with the amended 10-Year Capital Plan for endorsement.

Carried

4. Resolution Closing the Meeting to the Public

Moved By Councillor Hodge/Seconded By Councillor Stack

R596/19/06/10 THAT this meeting be closed to the public pursuant to Section 90(1) (e) and 90(2) (b) of the Community Charter for Council to deal with matters relating to the following:

- Acquisition, Disposition or Expropriation of Land or Improvements
- Confidential Information from the Province

Carried

5. Adjourn to Closed Session

The meeting adjourned to a closed session at 3:20 p.m.

6. Reconvene to Open Session

The meeting reconvened to an open session at 4:05 p.m.

7. Issues Arising from Correspondence & Community Concerns

7.1 Mayor Basran, re: Snowbirds

Moved By Councillor Hodge/Seconded By Councillor Stack

R597/19/06/10 THAT Council contribute up to \$1,000.00 from the Council Contingency for City costs related to the 2019 Snowbirds event in Kelowna late this summer.

Carried

7.2 Councillor Singh, re: McCullough Road Baseball Diamond

Councillor Singh:

- Immediate neighbour negatively impacted by the proximity to the baseball diamond due to the errant baseballs falling in his property.
- Has requested an increase in height of netting.

City Manager:

- Safety analysis conducted last year and netting was added.
- Will determine cost to raise netting further.

8. Termination

The meeting was declared terminated at 4:16 p.m.

Mayor Basran

/sf/acm



City Clerk

DRAFT

Report to Council



Date: June 17, 2019
File: 1840-01
To: City Manager
From: Robert Parlane, Parks & Buildings Planning Manager
Subject: Parks development funding strategy
Report Prepared by: Melanie Steppuhn, Park and Landscape Planner

Recommendation:

THAT Council receives for information, the report from the Parks & Buildings Planning Manager dated June 17, 2019 with respect to the Parks Development Funding Program;

AND THAT Council directs staff to proceed with engaging with the public and key stakeholders on the Parks Development Funding Program Report, identifying Model A – Full Implementation, as the preferred model, and report back to Council with a proposed bylaw for the Parks DCC;

AND THAT Council directs staff to return to Council with a policy to assign all revenues generated within the parks system to the General Parks Development Reserve;

AND FURTHER THAT Council directs staff to return to Council with an increase in parking fees at the Cook Road Boat Launch and Rotary Beach as set out in this report.

Purpose:

To provide Council with a more detailed analysis of proposed changes to parks development funding prior to proceeding with engagement with the public and key stakeholders.

Context

Parks and public spaces are the foundation of a dynamic, beautiful and livable City. More and more data is coming forward that links greenspace and beautiful spaces with health, wellbeing, quality of life, and even economic growth. A recent article in the Journal of Regional Science¹ has statistically correlated a positive relationship between beautiful and recreational spaces with economic growth indicators such as population growth, attracting a higher proportion of college-educated individuals, and increased strength of housing markets.

¹ Carlino, G.A., Saiz, A. April, 2019. Beautiful city: Leisure amenities and urban growth, <https://doi.org/10.1111/jors.12438>

The success of the City's growth strategy being developed as part of the 2040 OCP process, which prioritizes redevelopment in our Urban Centres and Urban Core relies on the provision of animated parks, public spaces and amenities within those neighbourhoods. Without parks and amenities, new and existing residents will be less likely to consider moving to these neighbourhoods, and instead choose suburban neighborhoods or locations outside of the City. This would jeopardize the growth strategy implementation and its success.

As such, "prioritizing parks and public spaces in the core area" is identified as one of the big moves in the 2040 OCP process. This approach relies on the deliberate integration of urban parks where additional residential density is going to be directed to balance out neighborhood composition, and to offer a key critical amenity that enhances livability. The 2040 OCP growth strategy requires the onboarding of parks to implement the vision of Imagine Kelowna, and will:

- develop strategic direction for Kelowna's park system that will guide decision-making; and
- provide certainty to the public to invest in various housing forms in the Urban Core to achieve the City's growth strategy with a commitment to parks and public spaces for neighborhood livability.

Park development will further Council's Priorities. Specifically, it will speak to building Vibrant Neighbourhoods and Accessible Community Amenities, and Council's objective that 'recreation centres, parks and public spaces will need to keep pace with Kelowna's population growth and the evolving needs of its residents.

As Kelowna rests on this threshold of transition to urban development, the timing is like no other to make bold steps in creating a network of parks and public spaces that will frame, support, and beautify a livable City. Steps that will provide a legacy of a great City for generations to come.

Background

In May 2017, the Parks Development Report (Attachment 1) identified both the current, and projected future deficit in parks development. Kelowna currently does not pursue two major funding options available for acquisition and development, namely:

- Parkland acquisition of 5% land (or cash in lieu) at subdivision; and
- Park Development DCCs

From the provincial context, most municipalities, with only a few exceptions, have incorporated these funding tools as well as Park Acquisition DCCs, into their park development strategies. Recognizing this increasing deficit in parks development, the June 2018 Parks Development Funding Strategy (Attachment 2) identified several different funding options. Council recognized the financial impact should be shouldered by multiple sectors and shared between development, taxation, and user revenues. Staff were directed to prepare, consult and report back on the funding tools identified in Option 2 of that report:

- Linear Parks Acquisition DCC
- Parks Development DCC
- Reduction of the DCC taxation assist
- Commercial / Industrial parks DCC
- Shift from Acquisition to Development

- Infrastructure Levy
- Parks Revenues

Funding Tools

A summary of each tool, and combined options, follows below. Each tool is addressed in detail in the Parks Development Funding Program (Attachment 3).

Linear Parks Acquisition DCC

As part of the Park Development Funding Strategy, staff was directed to assess the impact of implementing a Linear Park Acquisition DCC. Currently, this relies entirely on taxation for funding. The implementation of a Linear Park Acquisition DCC would enable predictable expansion of linear parks based on growth, and significantly, this would permit capital to be reallocated to park development.

Park Development DCC

A Park Development DCC was prepared based on existing policy and current economic parameters, including:

- The Park Standard for servicing growth established by the 2030 OCP
- Current park construction rates, using recent tender prices
- Eligible park items in accordance with the Local Government Act

Key components of the program are:

- The parks program aims to meet the OCP Park Standard of delivering 2.2ha of park per each additional 1000 persons as the City grows.
- The 2030 Servicing Plan population growth over the next 10 years.
- Typical parks for each type: Neighbourhood, Community, Recreation and City-wide.

Note that because the program aims to meet the full area required to accommodate growth over the next 10 years, the benefit allocation is capped at 100%. That is, the entire program is attributable to growth. Due to the nature of parks, the program chose the number of projects that would approximate to, but not exceed, the required area to accommodate growth.

Reduction of the Park Taxation Assist

Kelowna's current Parks DCC from Taxation Assist is 8% plus approximately 3.4% in lieu of DCCs on secondary suites. Many BC municipalities have lower assist rates. A reduction of the Taxation Assist would allow funds to be available for park development which currently go to park acquisition. For example, a reduction of the Taxation Assist from 8% to 1% would free up almost \$1,300,000 of taxation per annum that could go to other City priorities such as parks infrastructure renewal.

Through consultation, the Province informed staff that the Taxation Assist for park development must match the rate used for park acquisition, and to reduce it would require a change to the existing Parks Acquisition Bylaw. Having only recently completed a major update to the existing DCC program, such a

change so soon would likely not be supported by the Province. The next update of the DCC program will be in 2021 following the adoption of the 2040 OCP. It is proposed the Taxation Assist be reviewed at that time.

Commercial, Industrial & Institutional Park Development Cost Charges

As part of the Park Development Funding Program, implementing Park DCCs for commercial, industrial and institutional land uses was investigated. As Kelowna grows as a regional centre for retail, employment, and tourism, it has become apparent that the employment and tourist populations, put additional demand on the park system that is not captured by residential uses alone. For the purposes of this assessment, both park acquisition and park development DCCs were assessed.

Note, following the same reasoning as for the Taxation Assist above, the inclusion of Commercial, Industrial and Institutional DCCs for Parks Acquisition would be delayed until the next update of the DCC program in 2021.

Shift from Acquisition to Development

Council directed staff to pursue options to redirect funding from parks acquisition to development, but with no reduction in the overall rate of parkland acquisition. One tool to this end is the reallocation of the planned Linear Park Acquisition budget that is currently funded from taxation to park development.

The reallocation of funds within the Capital Plan would allow a significant 'kick start' for the DCC Parks Development Program. This may, for example, include the completion of Rutland Centennial Park and Dehart Park early in the program.

Infrastructure Levy

The long-term distribution of the newly introduced Infrastructure Levy has yet to be confirmed by Council. In the absence of this, a 27% minimum allocation for park development has been assumed for this study in order meet the matching Municipal contribution. The success of the Development DCC Program is integrally linked to this additional funding.

Parks Revenues

The final component identified by Council to review are revenues generated within the park system. These include net revenues from:

- Parking in park properties
- Park concessions
- Rental properties in undeveloped park properties
- Cell tower and similar leases within parks

These have been calculated to generate approximately \$500,000 per annum, after operating expenses are deducted (Attachment 4). The large majority of these are currently assigned to either a Parking Reserve or General Revenue. As previously identified by Council, redirecting these to parks development would share the financial impact of parks development with both development and taxation. Both Parks

Revenues and the Infrastructure Levy are key components in meeting the Municipal contribution obligations, and the successful implementation of the Development DCC Program.

A related, but distinct, use of parking revenues has also been identified for consideration by Council. Cook Road boat launch is currently incurring costs annually for dredging. The ramp is also damaged, and subject to the agreed long-term design solution, will require a major reconstruction. Other boat launches require similar maintenance. Parking fees at this location for truck and boat trailers are \$5/24 hours, which is very low in comparison with other boat parking locations in the City. For example, similar fees at Prospera Place near Water St boat launch are \$8/1 hour, \$45/12 hours and \$80/24 hours. The current rate of fees does little to generate revenue for the maintenance and ultimate replacement of the Cook Road boat ramp. Following the principle of 'user pays' for this City-wide park, staff are proposing an increase of fees specific to truck and boat/trailer parking for the summer season to \$5/ 1 hour, \$25/12 hours and \$40/24 hours, and off-season rates general parking rates in line with those currently used at Boyce-Gyro Beach Park. The revenue generated be held in a Reserve specifically for the future maintenance and construction of boat facilities across the City. This will be brought back to Council with more details of the anticipated costs associated with the boat launch facilities, anticipated revenue generation, and subsequent rate reviews and indexing in order to meet the future needs.

Additionally, it is also proposed that parking fees be introduced to Rotary Beach, following the same rates as Boyce–Gyro Beach. These changes would be in keeping with the 'user pay' approach, and ensure parking is not misused.

Parks Funding Models

Staff are recommending the full implementation of the funding tools as identified by Council and set out above. These include the implementation of Parks Acquisition DCCs for Commercial/Industrial/Institutional in the next major review of the DCC program, but do not include a reduction of the Taxation Assist which would be reviewed at that time. The changes proposed represent an increase of approximately 1% on the cost of the average single family residential home in Kelowna. Noting this is a large change to the DCC program, three alternate models have also been included to reduce the impact, stagger the implementation, or both:

Model A

- Full Implementation of the DCC Program, and other identified funding tools.

Model B

- Inclusion of 5% Parkland Dedication at Subdivision
- Exclusion of Neighbourhood Parks in the DCC Acquisition Program

Model C

- Staggered Implementation of the DCC Program over 3 years

Model D

- Inclusion of 5% Parkland Dedication at Subdivision
- Exclusion of Neighbourhood Parks in the DCC Acquisition Program
- Staggered Implementation of the DCC Program over 3 years

Table 1. Summary of Models for Parks Funding

			Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition								
Existing DCCs	<i>Neighbourhood</i>		✓	✓	X	✓	X	
	<i>Community</i>		✓	✓	✓	✓	✓	
	<i>Recreation</i>		✓	✓	✓	✓	✓	
	<i>City-wide</i>		✓	✓	✓	✓	✓	
New Linear Parkland Acquisition DCCs								
New Commercial/Industrial Acquisition DCCs								
				Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication								
				X	✓	X	✓	
Reduce taxation assist to 1% + 3.4%								
								✓
Total Acquisition DCCs (per residential unit)			\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development								
New DCCs	<i>Neighbourhood</i>			✓	✓	Yr 1 ✓	Yr 1 ✓	
	<i>Community</i>			✓	✓	Yr 1 ✓	Yr 1 ✓	
	<i>Recreation</i>			✓	✓	Yr 2 ✓	Yr 2 ✓	
	<i>Linear</i>			✓	✓	Yr 2 ✓	Yr 2 ✓	
	<i>City-wide</i>			✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs								
Reduce taxation assist to 1% + 3.4%								
								✓
Total Development DCCs (per residential unit)			\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)			\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645
Matching Revenue Sources								
Parks Program								
Total Parks DCC Revenues (per annum)			\$7,717,645	\$15,697,153	\$13,653,739	\$15,697,153	\$13,653,739	\$16,905,595
<i>Ineligible Parks Costs (per annum)</i>			\$0	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189
<i>Taxation assist (per annum)</i>			\$993,015	\$2,097,847	\$1,834,297	\$2,097,847	\$1,834,297	\$809,695
Sub-total - Matching Municipal Contribution (per annum)			\$993,015	\$5,394,036	\$5,130,486	\$5,394,036	\$5,130,486	\$4,105,884
Total Parks Program (per annum)			\$8,710,660	\$21,091,189	\$18,784,225	\$21,091,189	\$18,784,225	\$21,011,480
Municipal Revenues								
Taxation/Gas Tax (10-year capital plan) (per annum)			\$994,528	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173
Infrastructure Levy (27%) (per annum)			\$0	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000
Parkland Revenues (per annum)			\$0	\$453,500	\$453,500	\$453,500	\$453,500	\$453,500
Municipal revenues surplus (or deficit) (per annum)			\$1,512	\$13,637	\$277,187	\$13,637	\$277,187	\$1,301,789

Municipal Contribution

For the new Parks DCC to be implemented, the City must demonstrate how the Municipal Contribution is to be funded. The Municipal Contribution is attained through a combined funding approach. This assumes the allocation of an estimated 27% of the Infrastructure Levy, and the Net Parkland Revenues at current

rates, and the taxation and gas tax funding identified for parks in the recent 10—Year Capital Plan presented to Council (June 10, 2019). Combined, these funds meet the Municipal Contribution for both the Taxation Assist as well as the ineligible costs.

In the future, as other funding sources such as park revenues have potential to increase, the reliance on the Infrastructure Levy could reduce and these funds could be attributed to other City projects.

Maintenance Costs

Staff notes that the funding strategy outlined does not address ongoing operating and maintenance costs for new parks. These costs would come forward through the regular annual budget process as the parks are developed.

Alternate Recommendation:

THAT Council receives for information, the report from the Parks & Buildings Planning Manager dated June 17, 2019 with respect to the Parks Development Funding Program;

AND THAT Council directs staff to proceed with engaging with the public and key stakeholders on the Parks Development Funding Program Report, identifying Model C – Staggered Implementation, as the preferred model, and report back to Council with a proposed bylaw for the Parks DCC;

AND THAT Council directs staff to engage with the public and key stakeholders regarding the implementation of a 5% Parkland Dedication at Subdivision requirement, to be included along with the list of potential funding tools per Option 2 of the Parks Development Funding Strategy Report (June 11, 2018);

AND THAT Council directs staff to return to Council with a policy to assign revenues generated within the parks system to the General Parks Development Reserve;

AND FURTHER THAT Council directs staff to return to Council with an increase in parking fees at the Cook Road Boat Launch and Rotary Beach as set out in this report.

Internal Circulation:

Joe Creron, Deputy City Manager
Genelle Davidson, Divisional Director, Financial Services
Alan Newcombe, Divisional Director, Infrastructure
Jim Gabriel, Divisional Director, Active Living & Culture
Carla Weaden, Divisional Director, Corporate Strategic Services
Derek Edstrom, Divisional Director, Partnerships & Investments

Existing Policy:

Imagine Kelowna called to create great public spaces, grow vibrant urban centres, preserve Okanagan Lake as a shared resource, and build healthy neighbourhoods for all.

Council Priorities 2019-2022 identified measures to transform this vision into action. Specifically, relevant to this report:

- Vibrant neighbourhoods, by creating animated parks and public spaces
- Vibrant neighbourhoods, through developing accessible and multi-purpose amenities.
- Economic resiliency, through the reduction of the infrastructure deficit.

The accompanying Corporate Priorities also identify:

- Financial management, through the increase of non-tax revenues.

Personnel Implications:

With increased park development, there would be an increasing demand on staff time for public consultation, planning and delivery, and hence additional resources will be needed and funded through the Capital program. A future budget request will be brought to Council for these staff resources.

External Agency/Public Comments:

Initial comments were received from the Urban Design Institute (UDI) in Oct 2018 (Attachment 5). These comments have been considered and included in the preparation of this report, and each item will be addressed at the forthcoming UDI meeting on June 25, 2019.

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements
Financial/Budgetary Considerations
Communications Comments

Submitted by: R Parlane, Parks & Buildings Planning Manager

Approved for inclusion: D. Edstrom, Divisional Director, Partnerships & Investments

Attachments: Attachment 1: Parks Development Report, May 2017
Attachment 2: Parks Development Funding Strategy, June 2018
Attachment 3: Parks Development Funding Program, June 2019
Attachment 4: Parks Revenues
Attachment 5: UDI letter (Oct 4, 2018)

cc: Joe Creron, Deputy City Manager
Genelle Davidson, Divisional Director Financial Services
Alan Newcombe, Divisional Director Infrastructure
Jim Gabriel, Divisional Director Active Living & Culture
Carla Weaden, Divisional Director, Corporate Strategic Services
Derek Edstrom, Divisional Director Partnerships & Investments
Ian Wilson, Infrastructure Operations Department Manager
Blair Stewart, Parks Services Manager
George King, Financial Planning Manager
Melanie Antunes, Budget Supervisor
Joel Shaw, Infrastructure Engineering Manager
Chris Gregson, Financial Analyst
Karla Norman, Financial Analyst
Brian Beach, Infrastructure Delivery Dept Manager
Andrew Gibbs, Senior Project Manager

Doug Nicholas, Sport & Event Services Manager
Kari O'Rourke, Community Communications Manager
Robert Fine, Director, Business and Entrepreneurial Development
Sandra Kochan, Partnership Manager
Johannes Saufferer, Real Estate Department Manager
Mike Olson, Property Management Manager
Dave Duncan, Parking Services Manager

CITY OF



PARKS DEVELOPMENT REPORT

A study of underdeveloped, undeveloped and future park sites.

May 2017



EXECUTIVE SUMMARY

The City of Kelowna is committed to providing parkland for public enjoyment and well-being, creating sports amenities to promote active living, preserving natural open space for wild flora and fauna, and developing linear greenways that create strong pedestrian and cycling connections throughout the city.

Following the Parkland Acquisition Guidelines, the City acquires parkland based on long-term planning strategies and through land dedications at the time of subdivision or rezoning. It has become apparent however, the rate of park development has not kept pace with the rate of parkland acquisition. While development is thriving, the rate of parkland acquisition exacerbates the inability to provide fully built out parks for our citizens based on our adopted standards. While it could be considered our parkland acquisition ratios are therefore too high, comparison with other municipalities shows our ratio on the lower end of the spectrum. Further, as a tourism-focused economy the City relies heavily on our parks system for our visitors to enjoy.

At the direction of Council this report was prepared to identify the shortfall in park development, and options on how this might be addressed. The report cards within provide a succinct record of all undeveloped and underdeveloped parks, as well as future park sites anticipated to be acquired in the near future. They demonstrate the gaps in development across all categories of park within the City.

The report also provides a simple overview of multiple funding alternatives, without prejudice, in order to address the backlog. This is provided for discussion, with the intent Council will direct staff to develop certain options for further deliberation.

The report concludes with consideration to open up undeveloped parkland for public access on an interim basis, and specifically waterfront properties.

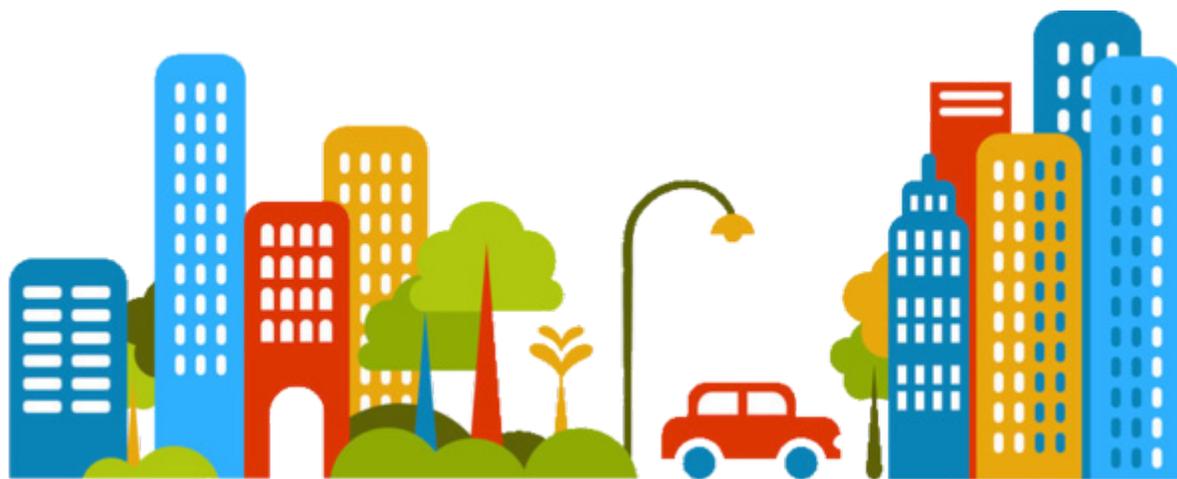


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1.0 PARK INFRASTRUCTURE OBJECTIVES

2030 Official Community Plan



Provide a *City-Wide* linear park and trail network.

PROVIDE ACTIVE AND PASSIVE PARKS



For a diversity of people and a *variety of uses*.

Provide waterfront parkland along the Okanagan Lake shoreline.



Develop park PARTNERSHIPS.



DEVELOP PARKLAND TO RESPOND TO USER NEEDS.



Minimize intrusion of utilities in parks.



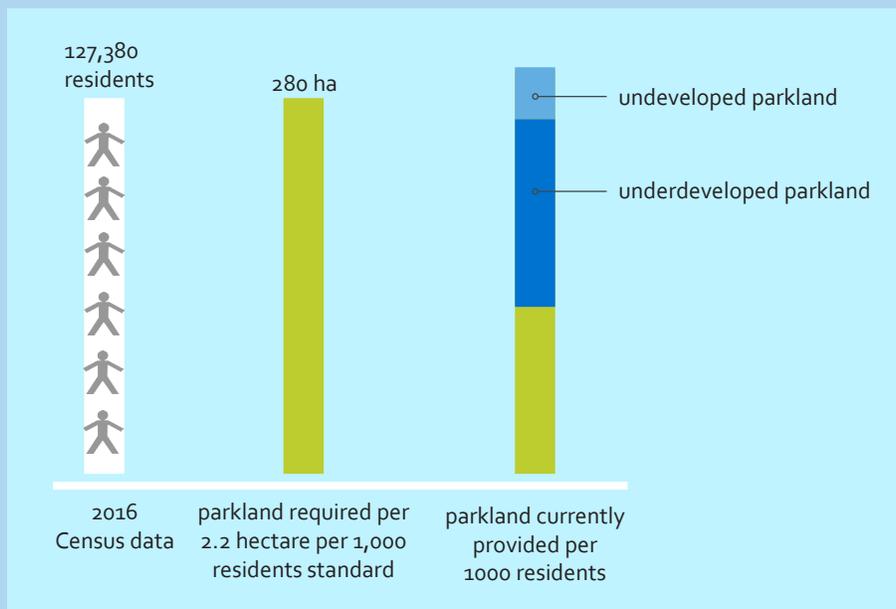
Minimize environmental impacts of parks.

*Refer to Appendix A for excerpt from Official Community Plan outlining park policies associated with each of the above objectives.

2.0 BENCHMARK STUDY

How are we measuring up?

Within the over arching OCP objective of 'Provide active and passive parks for a diversity of people and a variety of uses', one policy is the 'Active Park Standard', which identifies the intent of providing 2.2 hectares of active parkland per 1,000 new population growth. Per the figure below, we are currently meeting the target. This figure can be somewhat misleading though, in the fact that in a given year we might be in the process of acquiring a large piece of land which does not factor into the calculation - resulting in a lower measurement of park provision. Conversely, the measure could be skewed to show that we are acquiring more park land than we need to, based on a given year in which many large acquisitions were made. This being said, it is important to interpret the data with some background knowledge of the larger acquisition strategies that coincide with our long term planning goals.



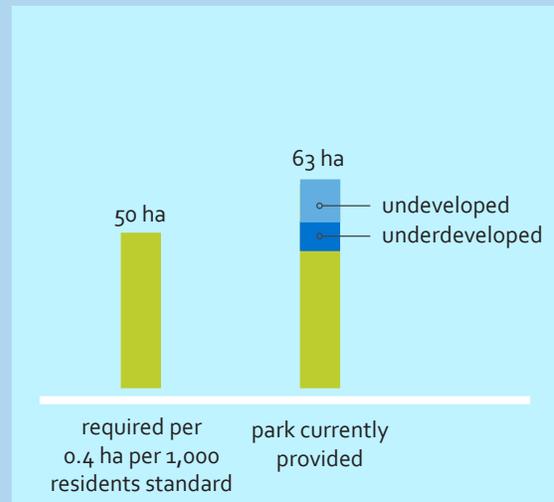
Provision of 2.2 ha of active parkland per 1,000 residents

How are we measuring up? (continued)

Within the Active Park Standard policy, the 2.2 hectares is approximately comprised of 0.6 hectares of neighbourhood park, 0.4 hectares of community park, 0.6 hectares of recreation park, and 0.6 hectares of city-wide park. Linear and natural area parks are not included in this measure. The following info graphics provide a snapshot of each park class and how it relates to the intentions set out in the Active Park Standard policy.



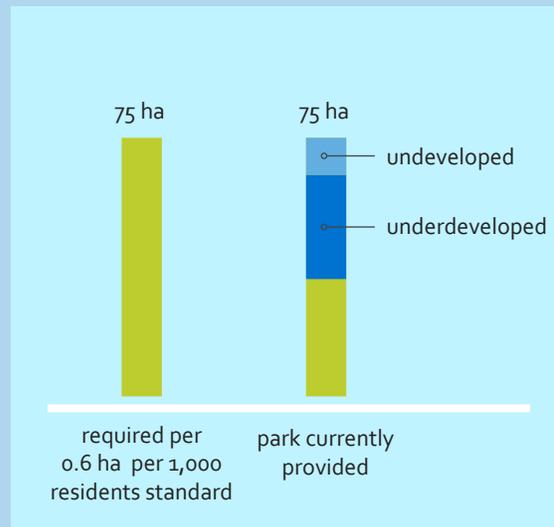
Provision of 0.6 ha of neighbourhood park per 1,000 residents



Provision of 0.4 ha of community park per 1,000 residents



Provision of 0.6 ha of recreation park per 1,000 residents



Provision of 0.6 ha of city-wide park per 1,000 residents

3.0 PARK PROVISION

3.1 THE QUALITY OF OUR PARKS

From our staff:

"Looking at it from a broad spectrum, the most important thing is to provide consistency of quality throughout each park type. We have to be careful. It's essential to ensure we put the right amenity in the right place! When building a park, the quality isn't just about the amenities, it's about the quality of the space and its compatibility with adjacent land use. Especially when a school leaves a neighbourhood, a park can become a huge community focal point. Parks are more than just a space - they really are an integral part of the community."

JOE CRERON, Deputy City Manager

"Our strengths as a City, in terms of parks, lies in our acquisition and parkland provision strategies. There is a great range of distribution of park space throughout the City, with most people in the Urban Core living and working within close proximity to a park (or future park). The challenge, in consideration of the community's rapid growth over the past 30 years, is developing and constructing new parks to meet this population demand and at the same time modernizing older park facilities and amenities nearing the end of their life span. If successful in tackling this challenge, the tangible benefits to the community are enormous in terms of quality of life and would significantly contribute to the Kelowna 'brand'."

TERRY BARTON, Urban Planning Manager

From our citizens:

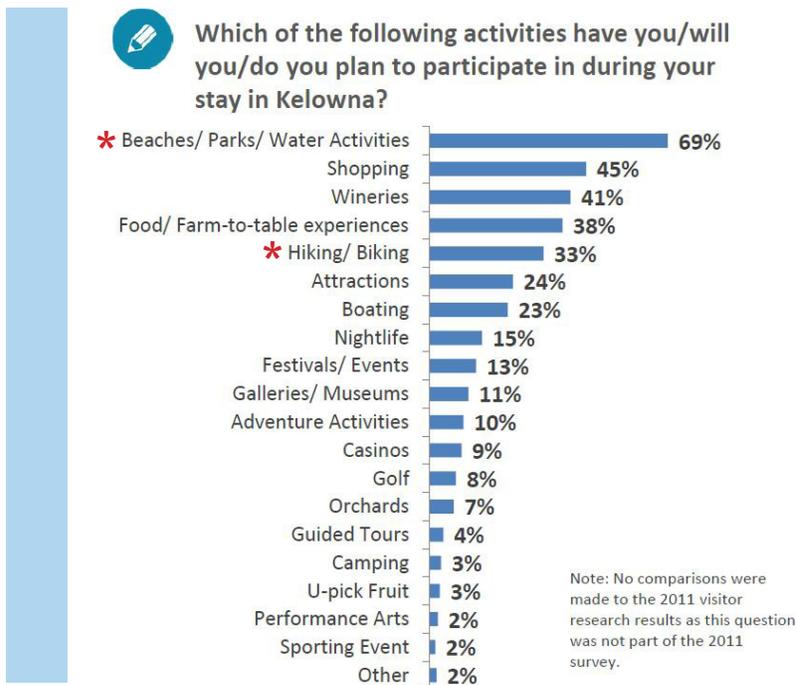
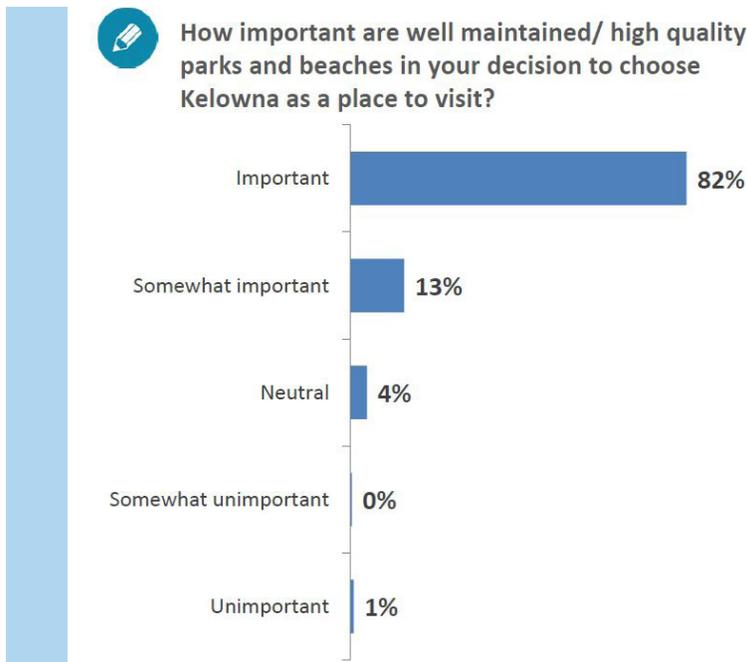
"I would like to take this opportunity to thank the City of Kelowna for the much-needed work currently being done to improve the safety and enjoyment of the mountain biking trails on Knox Mountain. The new downhill trail on the Shale Trail area, for example, is safe, well built and super fun. More such trails are needed and would be greatly appreciated. Thank you again for this great, new amenity for the local biking community and for helping to keep people healthy, active and outdoors. Looking forward to more great trails!"

"I live with my 15 yr. old daughter in a townhouse near Richmond Park. We love the park and would use it more if it weren't for the undesirables there. There are a lot of kids in the neighborhood that live in condos or townhouses and have no place to play and would use the park more if there was equipment such as basketball hoops etc. I am more than willing to raise funds to help improve the park as I feels this park is very important."

Comments via 'Service Request'

From our visitors:

The following graphs were taken from the '2016 Visitor Intercept Survey' conducted by Tourism Kelowna. It is evident that our parks and natural amenities are the primary draw for many of the tourists that visit Kelowna. Well maintained and high quality spaces are why they choose Kelowna, and the activities they plan to participate in are, for the most part, integrated within our parks and trails.



3.2 TYPE AND QUANTITY OF OUR PARKS

In terms of providing parkland for our citizens, Infrastructure Planning follows the City of Kelowna's Official Community Plan by ensuring there is at least 2.2 hectares of parkland per 1,000 population.

The type of park provided is determined by the parameters set out in the City of Kelowna's 'Parkland Acquisition Guidelines'. This guideline is prescriptive in its methodology for park provision. Size of park and what amenities are typically included in each are given.

3.3 PRIORITIZING PARK DEVELOPMENT

The City park development priorities are based on multiple factors:

- Provision (or lack of) park facilities for residents in a specific area
- Needs of specific user groups
- Provision of specific sports facilities to meet demand
- Parks master plans
- Public consultations

When the City is approached by a private group to partner in park development, these priorities may shift in order to take advantage of a financial opportunity. These opportunities should be explored through the City's Partnership Framework which provides a consistent avenue to examine opportunities through all stages of partnership development and ensure they are aligned with City objectives and priorities.

Examples from Seattle, WA:

"In a story cited in the recent issue of Parks and Recreation magazine, when neighbors in an upper-middle-class neighborhood of Seattle asked if they could hold fundraisers to raise money to reopen a wading pool shuttered due to cuts, Parks officials made a counteroffer. 'Our push back is that we don't want to privatize our parks and have a rich/poor divide,' says Friedli. 'We said, 'If you raise money to open two wading pools, we'll open yours and another on the south side of Seattle,' which is poorer. They got it right away, and agreed,' he recalls. 'That's kind of the way Seattle thinks.'"

Blaha, K. "Public-Private Partnerships, Seattle Style (Part 2 of 3)." City Parks Blog. November 4, 2013. <https://cityparksblog.org/2013/11/04/public-private-partnerships-seattle-style-part-2-of-3/>

"'There is tension between government, which is there to protect the land for the use of all people, and private entities, which may have limited interests,' said Barbara Wright, who recently co-chaired a citizen committee on the future of Seattle's parks. Defining the role and mission of a partnership is really important. In structuring a partnership agreement with the city, you're looking for that sweet spot.'"

Beekman, D. "Public-private partnerships take root to help downtown parks." Seattle Times. January 5, 2015. <http://www.seattletimes.com/seattle-news/public-private-partnerships-take-root-to-help-downtown-parks/>

4.0 REPORT CARD | NEIGHBOURHOOD PARKS

These parks are centrally located within a neighbourhood and typically serve approximately 2,000 residents within one kilometre or a five-minute walk to the park. Due to a combination of residential development and land acquisition strategies, there are numerous neighbourhood parks earmarked for future development.

On all pages, examples of successful parks are shown in the snapshot images. Success is defined by type and quality of amenities, quality of construction, level of usage, and sense of ownership by neighbourhood.

4.1 SUCCESSFUL PARKS



- Widely popular play structure
- Great views from park
- Accessible from top, middle, and bottom of park parcel



- First natural playground for the City of Kelowna
- Great 360 degree view
- Tennis court



- Tennis courts
- Pickleball courts
- Small but popular play structure

4.2 NEIGHBOURHOOD PARK DEVELOPMENT FUNDING

The current 2030 Capital Plan identifies the development of six neighbourhood parks as Priority 1 commencing in 2022 (2024-26 + 2028-29). An additional nine neighbourhood parks are identified in others years as Priority 2.

Priority 1: \$2,425,000

Priority 2: \$3,700,000

4.3 UNDEVELOPED, UNDERDEVELOPED + FUTURE NEIGHBOURHOOD PARKS

Name	Status	Area (ha)	Key Features	2030 Capital Plan
Lost Creek Park	Undeveloped	0.21 ha	<u>Funded</u> Playground, pathway, benches	Funded in 2017 capital budget as a park development partnership
Barlee Park	Underdeveloped	0.37 ha	<u>Existing</u> Community garden	
			<u>Proposed</u> Playground, open lawn area	P2 in 2017 (\$400,000)
Ballou Park	Underdeveloped	1.44 ha	<u>Existing</u> Playground, picnic table, community garden	
			<u>Proposed</u> Trailhead, court sport, open lawn area	
* Martin Park	Undeveloped	1.54 ha	<u>Existing</u> Martin Avenue Mosaics (community public art)	Potential to be 1/6 parks developed as P1
* Casorso Park	Undeveloped	1.70 ha	<u>Proposed</u> Comm. garden, playground	Potential to be 2/6 parks developed as P1
* Walrod Park	Undeveloped	0.98 ha	Potential to relocate Knox tennis courts here	Potential to be 3/6 parks developed as P1
* Landmark Urban Centre Park	Future	-	-	Potential to be 4/6 parks developed as P1
* Kirschner Park	Future	-	-	Potential to be 5/6 parks developed as P1
* Burne Ave. Park	Future	-	-	Potential to be 6/6 parks developed as P1
** Prospect at Black Mountain Park	Future			Unfunded (identified as P2 in 2030 Plan)
** Elliot Ave. Park	Future			Unfunded (identified as P2 in 2030 Plan)
** Johnson Rd. Park	Future			Unfunded (identified as P2 in 2030 Plan)
** Marshall St. Park	Future			Unfunded (identified as P2 in 2030 Plan)
** Wilson Ave. Park	Future			Unfunded (identified as P2 in 2030 Plan)
** Wilden - Hepner Park	Future			Unfunded (identified as P2 in 2030 Plan)
** Wilden - Landrover Park	Future			Unfunded (identified as P2 in 2030 Plan)
**University South Park #2	Future			Unfunded

4.3 UNDEVELOPED, UNDERDEVELOPED + FUTURE NEIGHBOURHOOD PARKS (continued)

Fraser Lake Park	Future		Unfunded
Tower Ranch Park #1	Future		Unfunded
Tower Ranch Park #2	Future		Unfunded
The Ponds Park #1	Future		Unfunded
The Ponds Park #2	Future		Unfunded
Band Road Park	Future		Unfunded
Lillooet Park	Future	*Currently owned by SD#23 / leased by City of Kelowna *Partially developed	Unfunded
Dilworth Soccer Park	Future	*Currently owned by SD#23 / leased by City of Kelowna *Partially developed	Unfunded
Eagle Ridge	Future		Unfunded
Tonn Mountain	Future		Unfunded

* For illustrative purposes these six parks are identified as potentially funded, however this is not an indication these are the priority parks for development.

** For illustrative purposes these nine parks are identified as Priority 2's, however this is not an indication these are the priority parks for development.

5.0 REPORT CARD | COMMUNITY PARKS

Designed to serve 12,000 people within a radius of three kilometres, Community Parks feature higher intensity recreation uses such as multi-recreational courts, sportsfields, and infrastructure to meet vehicle, transit, cycling and pedestrian needs. Due to a combination of residential development and land acquisition plans, there are numerous neighbourhood parks earmarked for future development.

5.1 SUCCESSFUL PARKS



- Water park
- Skate park
- Walking paths
- Universally accessible playground



- Tennis court
- Natural area / pond
- Trails and pathways



- Feature slide
- Water park
- Tennis court
- Walking paths

5.2 COMMUNITY PARK DEVELOPMENT FUNDING

The current 2030 Capital Plan identifies three community parks for development: Rowcliffe Park (\$4.4m over 2017-21), Rutland Centennial Park (\$3.5m over 2018-2020), and Dehart Park (\$4.7m over 2021-24), and an additional \$1.2m for general development 2027-30, all as Priority 1. Parks identified as Priority 2 in the 2030 Capital Plan include: University South Community Park (\$1.6m over 2025-26), Gallagher Park (\$900,000 over 2024-25), and an additional \$300,000 for general development in 2026).

Priority 1: \$14,075,000

Priority 2: \$2,850,000

5.3 UNDEVELOPED, UNDERDEVELOPED + FUTURE COMMUNITY PARKS

Name	Status	Area (ha)	Key Features	2030 Capital Plan
Rowcliffe Park	Undeveloped	2.02 ha	<u>Existing</u> Off-leash dog park <u>Funded</u> Phase 1: Playground w/ walkway + sod berm Phase 2: perimeter walkway, stage, vehicle access easement Phase 3: play field, community gardens, dog park, heritage walk, plaza area	Funded in 2017 (\$1.7 million) P1 in 2018 (\$1 million) P1 in 2019 (\$1.2 million) P1 in 2021 (\$500,000)
Rutland Centennial	Underdeveloped	2.46 ha	<u>Existing</u> Playground, pathway + benches <u>Funded</u> Performance stage, sport court/field, multi-cultural gardens, washrooms	P1 in 2018-20 (\$3.5 million)
Dehart Park	Undeveloped	3.74 ha	<u>Existing</u> Comm. garden, tennis courts <u>Funded</u> Walking trails, bike course, youth area	P1 in 2021-24 (\$4.7 million)
Gallagher Park (Black Mountain)	Undeveloped	6.00 ha	Not yet planned	P2 in 2024-25 (\$900,000)
University South Park	Undeveloped	N/A	<u>Proposed</u> Washrooms Sport field Playground Pathway	P2 in 2025-26 (\$1.6 million)
Aurora Park	Undeveloped	0.34 ha	Not yet planned	Unfunded
Begbie Park	Undeveloped	1.27 ha	Not yet planned	Unfunded
Quilchena Park / Blair Pond Park	Underdeveloped	N/A	Both parks require washrooms	Unfunded
Ponds Community Park	Underdeveloped	7.6 ha	Requires a sports park	Unfunded
Wilden - Village Centre Park	Future	-	-	Unfunded
Dayton Park	Future	-	-	Unfunded
Ellison Lake Park	Future	-	-	Unfunded
Rutland Town Centre Park	Future	-	-	Unfunded

6.0 REPORT CARD | RECREATION PARKS

Recreation Parks attract large numbers of active recreation participants and spectators. Passive recreational uses for all ages are also typical incorporated into the design. The City of Kelowna runs several Recreation Parks that are heavily used. Examples of successful attributes have been pulled out and are featured in the snapshots below.

Currently, there is only one undeveloped Recreation Park in the city. The table below provides more detail on this park, as well as areas within the existing parks that require development in order for them to meet the requirements of their approved Master Plan.

6.1 SUCCESSFUL PARKS



- One popular element of Mission Recreation Park, the artificial turf field, has served the City for almost 20 years. Having a field such as this provides opportunity for year round programming, and with lighting extends hours of use which reduces pressure on other heavily used grass fields.



- The softball fields at Mission Recreation are extremely well used. Softball in Kelowna is one of the most popular summertime social activities.



- Angel Way is a multi-use corridor that connects users from the highway pedestrian overpass through Parkinson Recreation Park to the Rail Trail corridor along Clement Avenue.

6.2 RECREATION PARK DEVELOPMENT FUNDING

The current 2030 Capital Plan identifies \$4.8m as Priority 1 for the first phases of Glenmore Recreation Park. An additional \$1.4m is identified as Priority 1 in 2022-23 for two softball diamonds at Mission Recreation Park. A variety of projects are identified as Priority 2, including boat launch land & facilities (\$10m over 2019, 2024-25)

Priority 1: \$6,287,875

Priority 2: \$26,562,125

6.3 UNDEVELOPED, UNDERDEVELOPED + FUTURE RECREATION PARKS

Name	Status	Area (ha)	Key Features	2030 Capital Plan
Glenmore Recreation	Undeveloped	11.48 ha	<u>Funded</u> Phase 1: servicing, ALR buffer, attenuation pond, access roads Phase 2: sports fields, seeding, irrigation, lighting, asphalt	Funded in 2017 (\$2.6 million) P1 in 2018 (\$1.7 million)
			<u>Proposed</u> Phase 3: rec facility, pickleball, playground, waterpark, artificial turf, basketball, skatepark, entry plaza	P2 in 2017-18 (\$562,000 - additional) P2 in 2022-23 (\$2.2 million) P2 in 2025-26 (\$2.2 million) P2 in 2028-29 (\$2.2 million)
Mission Recreation	Underdeveloped	46.55 ha	<u>Existing</u> Diamonds, sports fields, pedestrian paths, dog park, community gardens, soccer dome <u>Funded</u> Turf replacement, 2 additional diamonds	P1 in 2021 (\$600,000 - turf) P1 in 2022-23 (\$1.4 million - diamonds)
			<u>Proposed</u> Youth park, plaza, + trail system Pedestrian network + landscaping Landscaping associated w/ new buildings	P2 in 2024-25 (\$4.4 million)
Parkinson Recreation	Underdeveloped	19.49 ha	<u>Existing</u> Tennis, pickleball, fields, multi-use corridor	
			<u>Proposed</u> Re-design of field layout Mill Creek trail	Not identified in 2030 Capital Plan Potential opportunity for improvements in partnership with SD23 school development
Rutland Recreation	Underdeveloped	14.56 ha	<u>Existing</u> Sport fields, community garden, dog park, BMX track, washroom <u>Funded</u> Pickleball courts	Funded in 2017 (\$200,000 - pickleball)
			<u>Proposed</u> Sport field re-design + playground	Not identified in 2030 Capital Plan
Tutt Ranch Recreation	Future	-	-	Unfunded

7.0 REPORT CARD | CITY-WIDE PARKS

City-Wide parks are parks of special recreational, environmental or cultural significance. They must be designed to accommodate active programming (e.g. sports field, sports courts, etc.), passive programming (e.g. picnicking, playgrounds, etc.), or a combination of both. Park amenities vary, but are typically of sufficient importance to attract people throughout the City, as well as tourists.

As a tourist destination city, Kelowna places high value on procuring, developing, and maintaining city-wide parks. These parks are enjoyed by tourists and locals alike, and are generally higher end in terms of amenities.

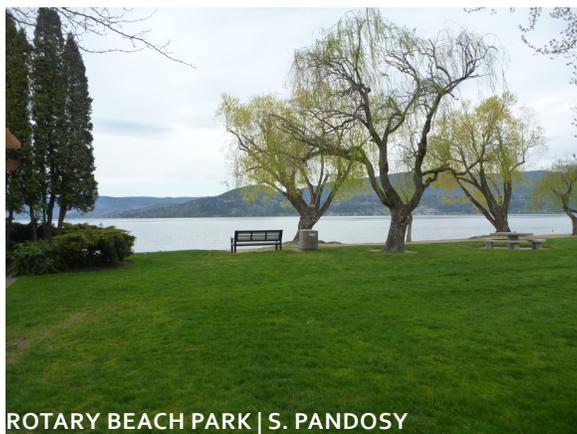
7.1 SUCCESSFUL PARKS



- Wintertime skating rink
- Summertime event site
- Environmentally restored shoreline
- Open lawn area
- 'The Bear' public art piece
- Waterfront promenade



- Partnership project with Central Okanagan Land Trust
- Walking trails and boardwalk
- Partners in Parks initiatives to install lookout platforms
- Popular site for naturalist activities



- Sheltered sandy beach
- Wheelchair access into lake
- Walking paths

7.2 CITY-WIDE PARK DEVELOPMENT FUNDING

The current 2030 Capital Plan identifies \$4 million dollars towards funding of 3 city-wide parks in Priority 1 status which include: Sarson's Beach Park, Kerry Park, and South Pandosy Waterfront Park.

- Priority 1: \$3,990,000
- Priority 2: \$29,400,000

7.3 UNDEVELOPED, UNDERDEVELOPED + FUTURE CITY-WIDE PARKS

Name	Status	Area (ha)	Key Features	2030 Capital Plan
Boyce-Gyro Beach Park	Underdeveloped (per 2016 concept plan)	3.6 ha	<u>Existing</u> Beach volleyball courts, passive green space, washrooms, playground, concession <u>Funded</u> Parking lot expansion, beach volleyball courts, public art, multi-use corridor connection, washroom renovations	Funded in 2017 (\$2.2 million)
Sarsons Beach Park Expansion	Underdeveloped	1.1 ha	<u>Existing</u> Playground Passive green space <u>Funded</u> Expansion of beach area	P1 in 2019 (\$340,000)
Kerry Park	Underdeveloped (per 2016 concept plan)	0.70 ha	<u>Existing</u> Sails Plaza Spirit Stage + plaza Passive green space Ogopogo sculpture Promenade <u>Funded</u> Promenade, plaza improvements, event ground / passive recreation, enhanced landscaping, + Sails plaza	Phase 1 funded in 2017 (\$1.1 million) *Now deferred to 2018-19
				Phase 2 P2 in 2018 (2.7 million)
City Park	Underdeveloped (per 2014 Master Plan)	13.2 ha	<u>Existing</u> Soccer field, various courts, playground, lawn bowling + clubhouse, passive green space, cenotaph plaza, washrooms, spray park, skate park <u>Funded</u> Foreshore stabilization Promenade enhancements	Accepted in 2017 budget (\$400,000) P1 in 2020 (\$1.2 million)
			<u>Proposed</u> Spray park, skateboard, playground, picnic area + pathway system	P2 in 2020-22 (\$6.4 million)
South Pandosy Waterfront Park	Undeveloped	7.0	<u>Funded</u> Riparian restoration, public pier, boat launch, paddle centre, public washroom, promenade + pathways	P1 in 2026-27 (\$2.2 million)

UNDEVELOPED, UNDERDEVELOPED + FUTURE CITY-WIDE PARKS (continued)

			<u>Existing</u> Playground, passive green space, pathway system	
Sutherland Bay	Underdeveloped	2.0 ha	<u>Funded</u> Restored shoreline	Funded in 2017 (\$200,000)
			<u>Proposed</u> Expansion of park, new amenities	P2 in 2023-24 (\$4.4 million)
Surtees Property	Undeveloped	1.6 ha	<u>Proposed</u> Linear park connection, trailhead + cultural interpretation	Site to be developed in partnership with a commercial developer
Bennett Plaza	Underdeveloped	0.06 ha	<u>Proposed</u> Entrance to Art Walk Accessible plaza Public art	P2 in 2019-20 (\$1.7 million)
Waterfront Park	Underdeveloped	8.5 ha	<u>Proposed</u> Overall park improvements	Not identified in 2030 plan
Rotary Beach Park	Underdeveloped	1.4 ha	<u>Proposed</u> New parking layout Improved landscape and plaza areas Improved play area Pedestrian connections Lakeshore Rd. multi-use corridor	Not identified in 2030 plan
Bluebird Waterfront Park	Undeveloped	1.1 ha	Not yet planned	Not identified in 2030 plan
Dewdney Park (Melcor land beach access)	Future	-	-	Partnership commitment from developer (50/50)
Garner Pond	Future	-	-	Unfunded
University South	Future	-	-	Unfunded
Mine Hill Mountain Park	Future	-	-	Unfunded
Confluence of Francis Brook / Mill Creek	Future	-	-	Unfunded
Wilden - Summit Park	Future	-	-	Unfunded
Kirschner Mountain Park #1 + #2	Future	-	-	Unfunded
Mouth of Mission Creek -Truswell Property	Future	-	-	Unfunded

UNDEVELOPED, UNDERDEVELOPED + FUTURE CITY WIDE PARKS (continued)

Pandosy Town Centre Park	Future	-	-	Unfunded
Sutherland Bay Park	Future	-	-	Unfunded
Mouth of Mission Creek to Rotary Beach Park	Future	-	-	Unfunded
Waterfront Walkway				
West Ave. to Cedar Ave.	Future	-	-	Unfunded
Manhattan Point	Future	-	-	Unfunded

8.0 REPORT CARD | NATURAL AREA + LINEAR PARKS

Linear Parks and Natural Area Parks are similar in that they remain largely untouched, remaining in their natural state. Fire fuel and danger tree mitigation, as well as access for fire suppression is important in these areas.

Wetlands, hillsides, ravines, significant natural landscapes, and other environmentally sensitive areas are typical characteristics of Natural Area Parks. They have areas established for public access and recreation that are designed to protect and preserve ecological processes.

Linear Parks refer to the network of on-road and off-road trails that are developed to serve all forms of non-vehicular movement. Linear Parks often parallel creek corridors. The City's Linear Park Master Plan identifies six priority Linear Parks, which will be the focus of this report card.

8.1 SUCCESSFUL NATURAL AREA PARKS



- Hiking trails
- Viewpoint pavilions
- Swimming area and dog beach
- Professional grade mountain bike trails
- Naturalist activities



- Pedestrian path around wetland area
- Home to painted turtles
- Home to breeding and migratory birds
- Riparian area restoration

8.2 NATURAL AREA PARK DEVELOPMENT FUNDING

The current 2030 Capital Plan identifies \$2.8m for ongoing improvements at Knox Mountain Park from 2017-2030 as Priority 1. Also identified as Priority 1 is \$650,000 for natural area park/trail development.

- Priority 1: \$3,725,000
- Priority 2: \$2,175,000

8.3 UNDEVELOPED, UNDERDEVELOPED + FUTURE NATURAL AREA PARKS

Name	Status	Area (ha)	Key Features	2030 Capital Plan
Knox Mountain Park	On-going improvements		Trail improvements + development Realign Ellis St. + Poplar Point Dr. Annual scorecard assessment Fence installation Info kiosk + gateway at Ellis St. Noxious weed removal Improvements to Crown / Lower Lookout staging area Develop new Kathleen Lake staging / parking area	P1 in 2017-2030 (\$2.85 million)
Tower Ranch Mountain Park	Undeveloped	18.6 ha	<u>Funded</u> Parking lot	Developer commitment to build parking lot
			<u>Proposed</u> Washroom Trail System	Unfunded
University South Park Open Space	Undeveloped		<u>Proposed</u> Trail system	Not identified in 2030 plan

8.4 SUCCESSFUL LINEAR PARKS



- Provides multi-use connectivity from the southeast end of Kelowna through the Okanagan Lake.
- Constructed in partnership with RDCO, who has a license to occupy the trail and takes responsibility for maintenance and operations
- Home to breeding and migratory birds



- 'Hidden gem' trail along Okanagan Lake
- Rigorous climb
- Provides access to two beach areas, including Paul's Tomb.
- Amazing views north and south through the valley



- Developed in conjunction with the Central Okanagan Bypass
- Meeting public demand for increased cycling and pedestrian facilities
- Provides a safe route to and from the downtown core

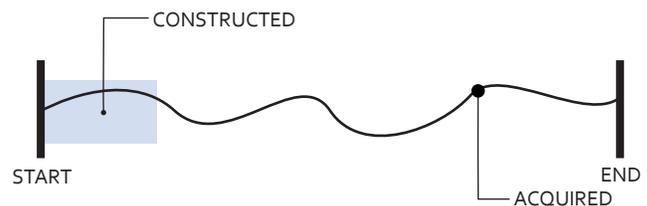
8.5 PRIORITY LINEAR PARKS FOR DEVELOPMENT

1. Waterfront Walkway (Strathcona Park to Mission Creek)
2. Mill Creek Linear Park
3. Rail Trail (UBCO to downtown)
4. Bellevue Creek Linear Park
5. Gopher Creek Linear Park
6. Mission Creek Greenway

8.6 PRIORITY LINEAR PARK STATUS UPDATE

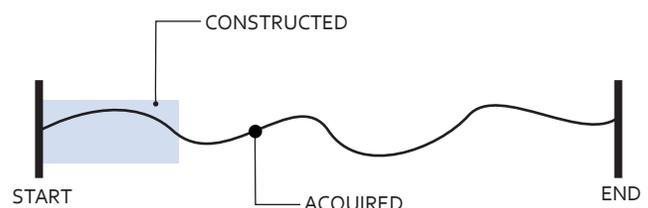
1. WATERFRONT WALKWAY

- Linear park length: **1 kilometre**
- Land acquired: **73%**
- Trail construction completed: **0.2 kilometres**



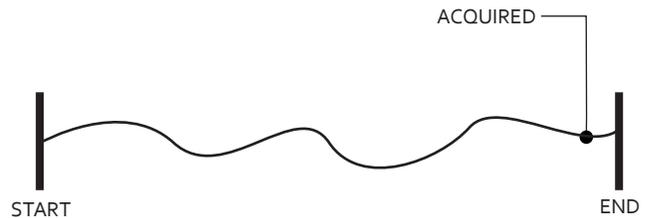
2. MILL CREEK LINEAR PARK

- Linear park length: **19 kilometres**
- Land acquired: **39%**
- Trail construction completed: **4.5 kilometres**



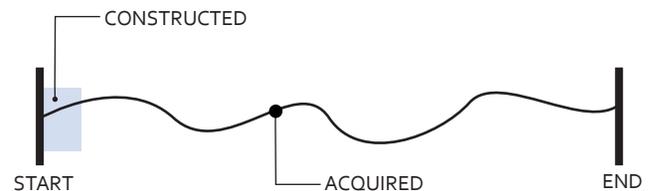
3. RAIL TRAIL (UBCO TO DOWNTOWN)

- Linear park length: 20 kilometres
- Land acquired: 95%
- Trail construction completed: 0 kilometres



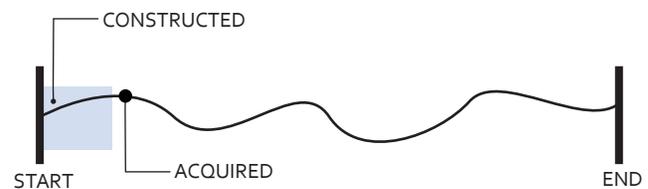
4. BELLEVUE CREEK LINEAR PARK

- Linear park length: 13 kilometres
- Land acquired: 41%
- Trail construction completed: 0.2 kilometres



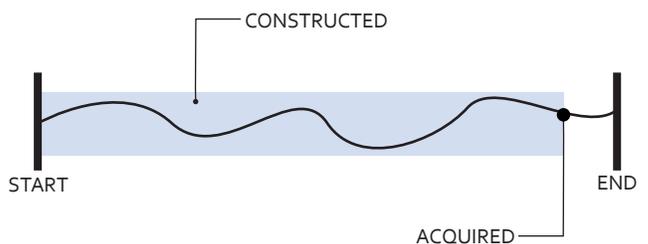
5. GOPHER CREEK LINEAR PARK

- Linear park length: 8.5 kilometres
- Land acquired: 14%
- Trail construction completed: 1.0 kilometre



6. MISSION CREEK GREENWAY

- Linear park length: 16.5 kilometres
- Land acquired: 90%
- Trail construction completed: 15 kilometres



9.0 PARK DEVELOPMENT FUNDING OPTIONS

The previous report cards identify both Active and Linear/Natural Parks that are currently undeveloped, underdeveloped or anticipated to be acquired in the near future, and the degree of development funding shortfall when considered against the 2030 Capital Plan.

This section identifies a wide variety of potential revenue sources in order to address some of these development shortfalls. Each source is considered only as an overview, in an anticipation that further research be required before any decisions are made. The list seeks to be comprehensive and without prejudice for the purposes of discussion. Therefore while some options generate new money, others simply redirect funding from elsewhere within the City finances.

The options have been categorized into nine headings:

- Development Cost Charges
- Revenues
- Lease or land sale
- Partnerships
- Grants
- Community Amenity Contributions
- General taxation
- Tourism taxation
- Parcel taxation

Development Cost Charges (DCCs)

The City of Kelowna maintains an open and excellent relationship with the development community, based on equity and transparency. DCCs are currently levied for parkland acquisition only on residential development on a per unit basis at a rate of 2.2 hectares per thousand.

A number of options are summarized below based on best practice in other BC municipalities. A more thorough consideration is given to these in the discussion paper prepared by Urban Systems in October 2010, attached as Appendix C.

Addition of park development costs in the DCC Program. This is currently not levied in Kelowna, but common practice among many similar communities in BC, i.e. all municipalities within our study group, except Surrey. This would provide a new revenue source for park development without increasing general taxation.

Inclusion of non-residential development in the DCC Program. It is current practice in many BC municipalities to collect DCCs for both parkland acquisition and development on non-residential development in many BC municipalities. Again, this would provide a new revenue source for park development without increasing general taxation. This applies a charge to all building users, not merely their place of residence, and hence includes both tourists and non-resident workers. While there is

a strong correlation between park use and many commercial uses (hotels, wineries, offices, etc), the direct link with industrial is more remote and harder to justify.

5% parkland dedication at subdivision. Section 941 of the Local Government Act (LGA) allows municipalities to require 5% of land to be dedicated for park use at subdivision, typically as a neighbourhood park. This is common practice in many other BC municipalities, but is rarely used in Kelowna. This reduces pressure on tax supported funding and isolates acquisition from the vagaries of land value fluctuations. Where land is not identified, a cash-in-lieu can be provided. In order to avoid 'double-dipping', either a credit is given for the land value against the neighbourhood park DCC component, or the DCC bylaw is revised to exclude neighbourhood parks.

Removal or reduction of neighbourhood parkland within the DCC program. Often used in conjunction with the 5% parkland dedication, this allows the DCC program to focus on 'higher-order' parks (City-wide, Recreation and Community), and/or be redirected towards park development costs.

Reduce the taxation assist for parkland acquisition DCCs. The City currently includes an 8% taxation assist plus an additional 3.4% from taxation for secondary suites, and the like, for parkland acquisition. This covers the use of proposed park space by existing residents. The average is 3.8% across the six other municipalities considered for comparison.

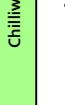
Use of densification gradient. DCCs for all City infrastructure (ie. transportation, sanitary, storm, water) are charged on a densification gradient, except park acquisition which is charged on a per unit rate. Density gradients are used by a number of other BC jurisdictions and consistent with the Ministry of Community & Rural Development (MoCRD) DCC Best Practice. In order to maintain the average, DCC rates on single detached homes would increase to offset multiple unit development. The change serves to encourage densification but yields no net increase in park acquisition revenue.

Reduction of parkland acquisition standard. A reduction of parkland acquisition standard would reduce the DCC acquisition cost component, and thereby create space within the DCC program to add parkland development costs.

However, while this would create space within the DCC program, Kelowna's current acquisition standard at 2.2 hectares per thousand population is currently significantly below the Provincial average. This is of concern particularly for a tourism based economy such as Kelowna. Indeed, the recommendation from the 2010 study, Appendix B, is that this standard should be increased to 2.5 hectares per thousand population.

The tables on the following pages show the policies adhered to by municipalities of a similar size in British Columbia.

	Kelowna	Abbotsford	Kamloops	Langley	Chilliwack	Surrey	Richmond
Policy for provision of parkland per 1000 residents?	Yes	Yes	Yes	No	Yes	Yes	Yes
What is the ratio?	2.2 hectares per 1000 population City-wide, recreation, community and neighbourhood parks. Does not include linear parks, creek corridors and natural open space.	3.4 hectares per 1000 population City-wide, community and neighbourhood parks. The City of Abbotsford also has a standard that 6% of its land base should be parkland.	15-20 hectares per 1000 population All types of parks (active, passive, open space and more). The City currently has 4.3 ha / 1000 population	3.2 hectares per 1000 population (as a guideline, not a policy)	4.0 hectares per 1000 population Community and neighbourhood parks.	2.4 hectares per 1000 population City-wide and neighbourhood parks. These targets do not include destination or regional scale parkland.	3.1 hectares per 1000 population, except 4.3 hectares per 1000 population in City Centre City-wide, community, neighbourhoods
What type of parks are included?	City-wide, recreation, community and neighbourhood parks. Does not include linear parks, creek corridors and natural open space.	City-wide, community and neighbourhood parks. The City of Abbotsford also has a standard that 6% of its land base should be parkland.	All types of parks (active, passive, open space and more). The City currently has 4.3 ha / 1000 population	Municipal, conservation, community and neighbourhood parks.	Community and neighbourhood parks.	City-wide and neighbourhood parks. These targets do not include destination or regional scale parkland.	City-wide, community, neighbourhoods
Park development costs included in the DCC program?	No - Only parkland acquisition costs are included in the DCC by-law.	Yes - Development of all forms of parks.	Yes - DCC parks development program primarily includes projects that are intended to serve the broader needs of the community, rather than specific neighbourhoods. City-wide parks development and trail systems development are good examples of projects included in Kamloops's DCC program.	Yes - DCC parks development program includes improvements to various neighbourhood, community and municipal parks throughout the Township.	Yes - Development of all forms of parks.	No - Only parkland acquisition costs are included in the DCC by-law.	Yes - Development of all forms of parks.
Is non-residential development included in the DCC program?	No	No	No	No	Most non-residential uses do not pay parks DCCs, however, institutional uses do pay parks DCCs	Some non-residential uses do not pay parks DCCs, however, Highway 99 Corridor commercial and industrial uses do pay parks DCCs	Yes - All uses contribute to both park development and acquisition
Parkland acquisition included in your DCC by-law?	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Are neighbourhood parks included?	Yes	Yes	Yes	No	Yes	Yes	Yes
What types of parkland are acquired through 5% dedication at subdivision?	The City does not generally use the 5% parkland dedication / cash-in-lieu provisions outlined in the Local Government Act (LGA) - the City uses DCCs for acquisition.	No prescribed list, but dedication is generally determined on a case by case basis. Typically, 5% cash-in-lieu is taken.	The minimum 5% parkland dedication is applied in newly developing areas and this is used to support recreational uses such as sports and active play. The Kamloops Parks Master Plan states Open Space (steep slopes, gullies, etc.) should not be included in the 5% parkland dedication.	The Approving Officer is empowered to make decisions as to the requirement of the 5% parkland dedication or cash in lieu from subdivision proposals. This is used to acquire primarily neighbourhood parkland.	The 5% dedication is used to fund specifically neighbourhood level parks. The 5% dedication is applied separately from DCCs, which are used for funding indoor facilities, "community level" parks and sport fields that serve a much larger geographic area.	The City of Surrey Parks, Recreation And Culture Strategic Plan allows the 5% parkland dedication tool to acquire all types of parks with consideration for the size of the proposed parkland, ecological integrity of the surrounding system, optimal community use, anticipated long-term viability and the "fit" within the catchment area.	Richmond applies the 5% land dedication policy for new developments. Location goals, as stated in the City of Richmond Park Classifications, are used as the evaluative criteria for acquisitions. They also often consider taking cash in lieu. This covers most types of parkland.

	Kelowna	Abbotsford	Kamloops	Langley	Chilliwack	Surrey ¹	Richmond ¹
What percentage taxation assist goes to parkland?	8%	5%	1%	1%	10%	5%	1%
Density gradient used to determine Parks DCC rates?	No – same charge regardless of density for Parks DCCs; except Residential 5 - multi-family units of 55.8 square meters or less are charged per sq.m.. 	Yes – Parks DCC varies by land use category <ul style="list-style-type: none"> Rural Residential Urban Residential Medium Density High Density Congregate Care 	Yes – Parks DCC varies by land use category <ul style="list-style-type: none"> Single and Two Family Residential Multi-Family Residential – Low Density (per unit) Multi-Family – Medium Density (per unit) Multi-Family – High Density (per unit) 	Yes – Parks DCC varies by land use category <ul style="list-style-type: none"> Residential 1 - represents 15 or less dwelling units per hectare; Residential 2 - represents 16 to 44 dwelling units per hectare; Residential 3 - represents 45 to 74 dwelling units per hectare, and Residential 4 - represents greater than 74 dwelling units per hectare. 	Yes – Parks DCC varies by land use category with <ul style="list-style-type: none"> Single Family, Duplex Townhouse & Other Apartment Small Apartment Note: Townhouse & Other, Apartment, Small Apartment have the same DCC rate which is lower than the rate for Single Family and Duplex.	Yes – Parks DCC varies by land use category. Some of multi-family residential uses have been categorized together in the DCC bylaw and have the same rate per sq. ft. 	Yes – Parks DCC varies by land use category <ul style="list-style-type: none"> Single Family Townhouse Apartment 

¹ **Note:** Both Surrey and Richmond have suggested that the current trend toward the increasing ratio of multi-family to single family residential development has resulted in less parkland being made available through the 5% dedication process. Further, they suggest that given the high cost of land in these communities neither the 5% land dedication, nor the 5% cash in lieu tool can be relied upon to secure adequate park space or funds for parks to meet desired hectares per capita ratio. For this reason both cities emphasize the need for both 5% parkland dedication and Parks Development Cost Charges for land acquisition to ensure that they can secure important environmental or recreation space for future generations.

Revenues

Many City revenues sources remain dedicated to their sector of origin (ie. airport taxes, parking fees, utility taxes). There are a few existing revenue sources currently within the parks system that are currently returned to the general revenue stream.

Property rentals. Many park properties awaiting development, particularly waterfront and linear park properties, are rented out as residences. This could generate a small revenue stream.

Concessions & equipment rentals. Several of our city-wide and beach front parks have concession agreements (ie. bike, skate, or waterplay rentals, food, floating waterplay structure). The apparent 'commercialization' of the park system, could reasonably be justified to generate revenue for park development.

Sponsorship. The City has adopted a policy to pursue sponsorship opportunities for City owned assets. The naming of Parks has been specifically excluded from this, however naming of components within a park (ie. playgrounds, performance stages) can be considered. Sponsorship opportunities will be seeking both a financial contribution and a programming element, so create a meaningful community connection with the sponsorship.

Parking Revenue

Parking fees within City parks currently go towards parking revenue. These could be dedicated towards park development, however it is not anticipated to be a significant revenue generator.

Recreation user fees

User fees for sports fields and courts currently go to general revenue. These could be dedicated towards sports field and court development.

It would be reasonable to dedicate these to parks development, but again to the detriment of general revenue. Property rentals and concession and equipment revenues already exist and therefore fall into the category of redistribution of existing funding to the detriment of another area or service. In the case of property rentals a significant amount goes back to offsetting taxation on an annual basis. This revenue also funds some of the building and facility maintenance and pays property taxes.

Lease or land sale

The lease or sale of land within or adjacent to a park can provide revenue for park development and the potential to benefit from shared infrastructure.

Commercial lease. Long term lease of land has the potential to provide benefits to the overall park experience, the park development, and the safety and security within the park. By sensitively developing criteria to be applied to lease or land sale within a park, the City has the power to animate park edges with food and beverage, music, entertainment and the like. When the adjacent land uses and the scale of the park are suitable to support a commercial endeavour, this could be a viable option to consider. On-going public education would be necessary to ensure residents understand and support any proposals made.

Sale of surplus land. Sale of surplus land, especially if its' value is increased by the adjacent new park, can generate revenue for the parks system. Typically, use of this revenue is restricted by the Local Government Act to further park acquisition only.

By example, the sale of land adjacent to Boyce-Gyro Park is to be used to partially fund the development of a new parking lot and other amenities within the park. Further, Council has also identified the potential sale of unused road ends in the north end of the City as another potential revenue source.

Partnerships

Partnerships with other groups (ie. developers, sports organizations, not-for-profit groups, neighbourhood associations), typically up to 50:50 or more, offer the potential to spread the benefit of taxation funding across a wider field. There have been many successful examples within the parks system over recent years. However partnerships offer two major challenges:

- Ensuring that park amenity development remains equitable and fairly distributed across the City (ie. preventing a developer or neighbourhood unreasonably jumping the queue through partnering).
- Guaranteeing park amenities remain in line with City goals and policies (ie. sports partnerships developed to ensure equal distribution of provision across the City).

Developers. Several developers have voluntarily partnered with the City for park development costs, typically up to 50%, as they recognize the benefit of completed parks when selling property lots (ie. Kettle Valley). Conversely when parks are identified in marketing material but not developed this often reflects badly on the City. However, many of the successful developer partnerships in the past were achieved with a full time staff position to foster them. This position no longer exists currently, and developer partnerships have since reduced generally as a result.

Sports' organizations. Certain sports facilities (ie. year-round inflatable structures) can offer an opportunity for an organization to provide an amenity that might not otherwise be realized. The organization typically requests land from the City while it covers capital, operating and maintenance costs. In return the organization provides a portion of time available for public use. However, the most lucrative location for the facility may be at odds with City goals.

Not-for-profit organizations. Service groups and cultural organizations can offer possibilities for one off partnerships, and can often access grant and other funding sources the City does not have access to. Typically these are assessed on a one off basis to ensure the organization's goals are in line with those of the City (ie. Laurel Packinghouse Courtyard).

Neighbourhood groups. A common model in other provinces, partnership with a neighbourhood group faces many challenges. A Local Area Service (LAS) plan, often used for utility upgrades, is a very administratively clumsy tool for the relatively small amounts required for a neighbourhood park development. A voluntary partnership with a neighbourhood group, however (ie. Lost Creek Park), lacks the structure to ensure all neighbours contribute equitably.

Grants

Grants from Federal or Provincial sources, or charitable organisations, offer potential funding for park development or amenity improvements. However grants for general park development have been less forthcoming in recent years, or have been for small values that cease to be cost effective to apply for and administer.

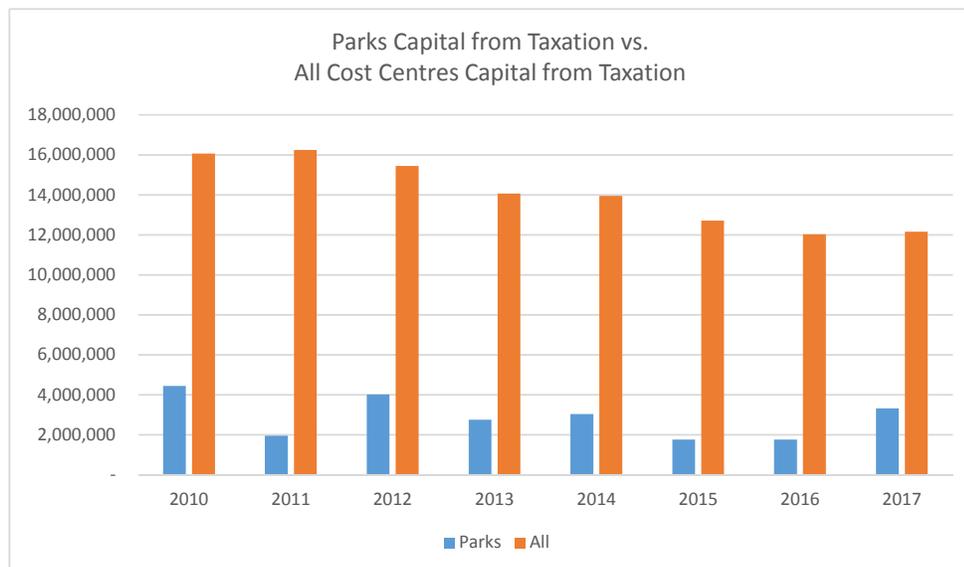
Community Amenity Contributions

Community Amenity Contributions (CACs) are contributions agreed to between the applicant/developer and local government as part of a rezoning process which is typically in the applicant's/developer's favour: density bonusing. CACs can take several forms including community amenities, affordable housing, and financial contributions towards infrastructure that cannot be obtained through DCCs, such as recreation facilities or fire halls. The agreed to contribution would be obtained by the municipal government if, and when, the local government decides to adopt the rezoning bylaw.

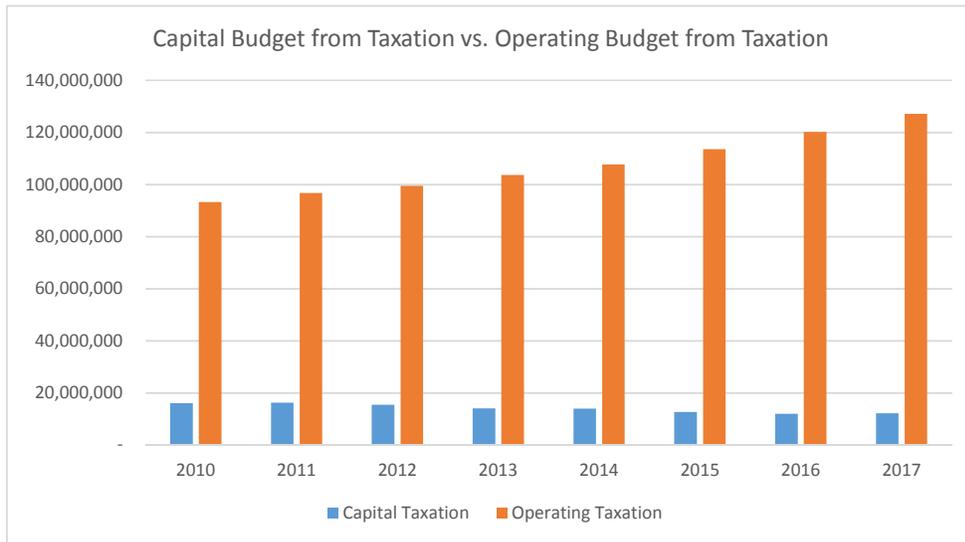
CACs have been included as an option in order to be comprehensive. However, as a negotiated contribution CACs are typically very difficult to impose equitably, and therefore not popular with either municipalities or the development community.

General taxation

Over the span of the 2030 Capital Plan, expenditure funded by taxation (including gas tax portion) on Parks capital projects averages at approximately 19% of the total taxation capital expenditure. The average fluctuates from year to year in order to accommodate the larger projects within the different infrastructure sectors.



However since 2010, the total taxation expenditure on Infrastructure capital projects as a percentage of the total taxation revenue has reduced, particularly since 2014. In 2010 Infrastructure capital represented 25% of total taxation, in 2017 it is 30%. The total expenditure for parks capital has therefore reduced proportionately in that same period.



Further, as the City inventory of parks ages, the demands on capital for asset renewal or replacement projects increases, putting further pressure on capital available for these new projects. Unless overall taxation is increased, no new funding source is available. Otherwise, to increase the proportion spent on Parks capital projects would be at the detriment of other municipal services or capital projects.

Tourism taxation

Kelowna’s economy is primarily tourism based. In the summer months, the number of people in the City increases significantly. Many of these tourists come to our parks, especially the city-wide parks and beaches. However, there is currently no mechanism for direct cost recovery from this sector for either park acquisition or development. The following method is proposed:

Hotel tax. This tax is fairly accurately targeted at the tourism sector, including sports tourism, and hence easily justifiable as a ‘user pays’ funding source. A proportion of the hotel tax could be dedicated to park acquisition and development. Either this tax is increased to generate a new revenue source for park development, or its distribution is reassessed at the detriment of other tourism services.

Parcel taxation

This option would identify a portfolio of high priority park projects across the City in order to approach the electorate for funding through a specific tax over and above general property tax levels. In order to be equitable and serve a wide portion of the population, the portfolio of projects should be evenly distributed across the City, and serve a broad spectrum of different park user groups. The portfolio might include several high profile city-wide parks (City Park, South Pandosy, Bluebird Ave (Lakeshore), etc.), recreation park upgrades, and/or undeveloped community parks.

The parcel tax would require a referendum, and therefore most likely coincide with a municipal election. This parcel tax may be implemented as a one off tax, or collected over several years. While additional taxes are rarely welcomed, parks projects are typically popular with the electorate and a portfolio of carefully chosen park projects may be one of the most likely proposals to succeed.

Conclusion

The options considered above are intended as a comprehensive overview of all potential funding options for the park development backlog. Of the options considered, only a proportion generate new revenue sources, the rest merely redistribute funding to the detriment of other municipal services. Further, while all revenue opportunities are considered, of these options only a few, probably in combination, could realistically generate the magnitude of financing required to significantly address this backlog:

- Development Cost Charges
(park development charges, non-residential park charges, acquisition standard).
- Lease or land sale
(commercial lease)
- Partnerships
(developers, sports organizations)
- General taxation
(new taxation)
- Tourism taxation
(hotel taxation)
- Parcel taxation

As mentioned previously, the above options are merely an overview, and further study and discussion of the selected options is anticipated.

10.0 TEMPORARY USAGE IN PARKS

Temporary Access

The City owns many Natural Areas which function well with very little or no amenity provision. People are able to access improvised trails, walk dogs, enjoy wildlife, children play and ride bikes and generally everyone can enjoy the greenways of the City. Most undeveloped park land is also available for similarly uses. Occasional litter gets out of hand, play forts have to be dismantled, or fire pits removed, but typically the majority of these spaces are enjoyed successfully with minimal input by City resources.

Temporary Uses

Temporary community amenities are occasionally added to these undeveloped sites. Community garden groups and off-leash dog parks are perhaps two of the most in demand amenities that are often provided at relatively little cost. For example, De Hart Park has hosted a successful community garden for several years. However, once introduced to any location a temporary use can quickly become a permanent expectation. This can create difficulties if the use does not fit with the master plan for the greater benefit for all citizens. For example, Rowcliffe Park has been a large off-leash dog park for several years, the smaller dog park proposed as part of the overall park design currently being developed is not popular with dog owners in the neighbourhood.

Other Pressures

When the park development does not happen quickly the land sits unused, and various sport and community interest groups may propose uses for the site which often conflict with the carefully considered long-term master plan. These 'money available now' options result in ad hoc planning and puts pressure on the City to fit a square peg into a round hole.

Further access to undeveloped land held by other parties has created an expectation that it remain as parkland in the future over which the City has no jurisdiction. For example, the Kettle Valley school site.

Inaccessible Sites

Some undeveloped park sites or newly acquired properties are not made available for public use. Existing properties are either retained with limited maintenance and leased, or, if unsafe, demolished and the site fenced. The sites remain inaccessible until funding is available for the full park development. The primary concern is that undeveloped land in residential neighbourhoods, particularly waterfront, may attract campfires, parties, vagrancy, or other undesired activities.

There is however increasing public demand that these sites be made available in a temporary manner, particularly to meet the desire for increased waterfront access.

Conclusion

While the City must learn from the experiences of temporary uses and undesired activities on other sites, there still remains significant potential to allow acquired park land and waterfront to be made available for public benefit and well-being in the short-term. For example, Manhattan Drive, South Pandosy Waterfront Park and Bluebird Road Waterfront Park. Valuable building assets might remain for amenities compatible with the long-term master plan, and security issues would need to be addressed. A 'temporary usage' plan could address public safety, provide base level amenities, and open the land to the public sooner as a publicly accessible undeveloped park. It would provide the public with the confidence that we are acquiring park land with intention to develop, and improve public amenity in the short-term.

Staff will seek direction from Council to consider undeveloped sites for improved public access for further discussion.



APPENDIX A

PARKS POLICIES

Parks play a critical role in supporting community sustainability in the broadest sense and enhance community quality of life.

Objective 7.12 Provide active and passive parks for a diversity of people and a variety of uses.

Policy .1



Active Park Standard. Using Development Cost Charge revenue provide 2.2 ha of parks per 1000 new population growth. As a guideline the 2.2 ha standard will include provision for 0.6 ha neighbourhood, 0.4 ha community, 0.6 ha recreation and 0.6 city-wide types of parks.

Policy .2



Natural Area Parks and Open Space. Provide a city-wide network of natural area parks which meet the following criteria:

- contains representative Okanagan ecosystems;
- contains areas of outstanding natural beauty (including areas with high visual sensitivity and high visual vulnerability, such as rocky outcrops, ridge lines, hilltops, silt slopes, canyons, and water edges);
- the land area is contiguous and forms part of a larger open space network;
- contains conservation areas;
- protects viewshed corridors; and
- where appropriate, trails which maximize public safety while minimizing human impact on the most sensitive and vulnerable areas.

To achieve the above, the City will need to acquire land. In determining what land to acquire, the City will assess:

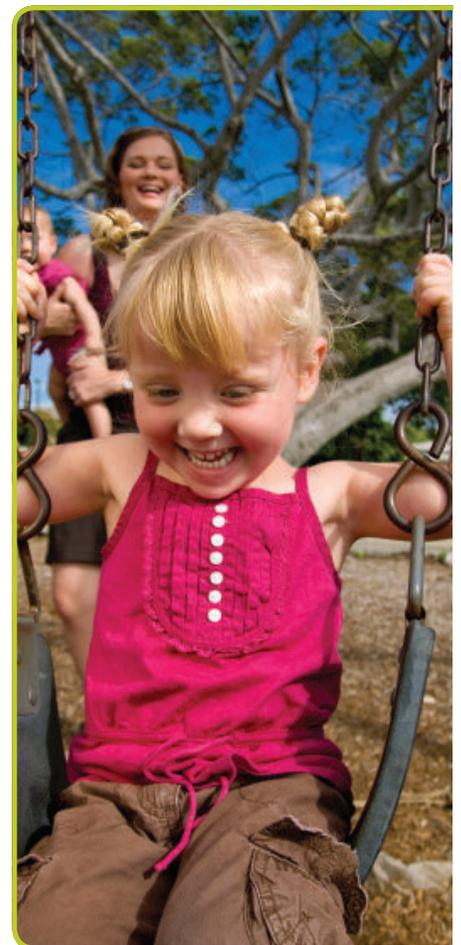
- costs/benefits to ensure the City is receiving a public asset, rather than a maintenance liability;
- liability from natural and man-made hazards (falling rocks, debris, hazardous trees, fuel modification etc.) to ensure hazards are mitigated in advance of acquisition;
- maintenance access to ensure it is acceptable; and
- opportunities for linear trails, view points, staging areas etc. to ensure availability of a public recreation component.

Policy .3



Regional Parks. Support the acquisition of regionally significant natural areas under the Regional Parks Legacy Program.

“Parks play a critical role in supporting community sustainability in the broadest sense and enhance community quality of life.”



Objective 7.14 Provide waterfront parkland along the Okanagan Lake shoreline.

Policy .1  **Waterfront.** Waterfront parkland acquisition will concentrate on areas along Okanagan Lake to increase public ownership of the foreshore. A high priority section of waterfront will be from Kinsmen Park to Knox Mountain Park.

Objective 7.15 Develop park partnerships.

Policy .1  **Partnerships.** The City will create community and enhance quality-of-life through partnerships with developers, residents' associations, property owners, non-profit organizations, private enterprise, user groups and individuals, on the acquisition and construction of all classes of parks. The City will also pursue joint use agreements and partnerships with School District 23, Regional District of the Central Okanagan, and the University of British Columbia Okanagan.

Objective 7.16 Develop parkland to respond to user needs.

Policy .1  **Design to Context.** Design park space to reflect neighbourhood context.

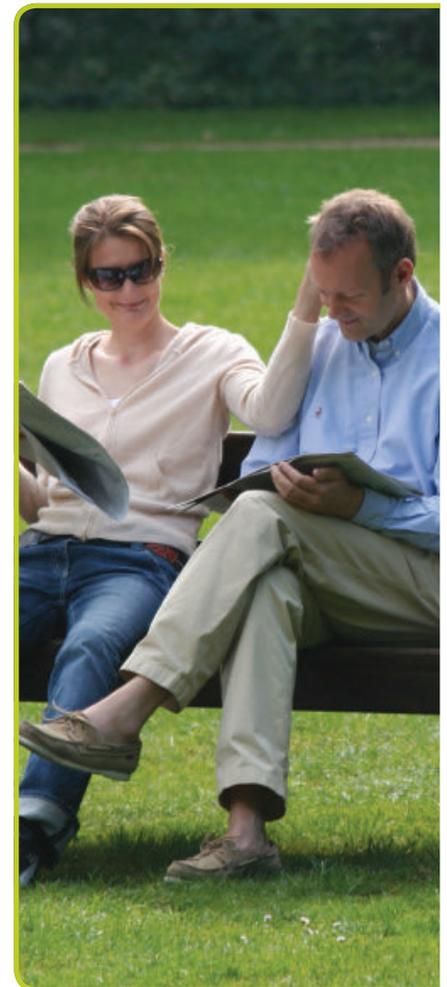
Policy .2  **Park Accessibility.** Design parks to meet the needs of a variety of user groups, including families, youth, and seniors. Where appropriate, parks will be designed to meet universal access standards for outdoor spaces.

Objective 7.17 Minimize environmental impacts of parks.

Policy .1  **Manage Public Access.** Manage the impacts of public access in natural area parks by defining and developing trails which maximize public safety while minimizing human impact on the most sensitive and vulnerable areas; and reducing the impact of trails for example by reducing width, modifying surfaces, and developing boardwalks.

Policy .2  **Water Conservation.** Conserve water by improving the efficiency of existing irrigation systems, improving park construction standards, designing for water conservation, using non-potable water and converting park and civic building landscapes to reduce the amount of irrigated turf where appropriate.

“
Design parks to meet
the needs of a variety
of user groups...”



 Economic Sustainability  Social Sustainability  Environmental Sustainability  Cultural Sustainability



“
Strive to provide all residents in the urban core... of the City with access to centrally located parks within a five minute walking radius.
 ”

Policy .4


Parks in Agricultural Areas. Where parks and linear pathways are proposed adjacent to farm areas they will be designed so as not to negatively affect farming operations. Mitigation techniques may include: deer fencing, signage, and trash bins to ensure trespass and field contamination is minimized. Any parks affecting lands in the ALR will be subject to detailed design based on the Ministry of Agriculture’s guidelines.

Policy .5


Walking Radius. Strive to provide all residents in the urban core (See Map 5.1 Core Area) of the City with access to centrally located parks within a five minute walking radius.

Policy .6


Glenmore Recreation Park. As a key park initiative establish a major Recreation Park in the Glenmore Valley that complements the existing park system. This site is identified on Map 4.1 Generalized Future Land Use. The City recognizes that use of this site for park purposes will require provision of off-setting agricultural benefits on adjacent or nearby ALR land in the Glenmore Valley to the satisfaction of the Agricultural Land Commission.

Policy .7


Alternative Park Space. In urban areas of the City where further park acquisition is not financially feasible, consider innovative techniques such as:

- closing excess streets and roads;
- converting surface parking lots;
- developing existing parks with higher intensity uses (e.g. sportfields, lighting, artificial turf fields);
- developing boulevards as people places;
- developing cemetery with public park components;
- sharing school yards;
- developing utility corridors and detention ponds with public park components;
- encouraging rooftop gardens; and
- using the railway as a linear park.

Objective 7.13 Provide a city-wide linear park and trail network.

Policy .1


Linear Park Priorities. The top six linear park priorities for the City, as endorsed by the Linear Park Master Plan are:

- Waterfront Walkway
 - Kinsmen to Strathcona; and
 - Rotary Beach Park to Mission Creek
- Rails with Trails
- Mill Creek
- Bellevue Creek
- Gopher Creek, and
- Mission Creek – Lakeshore to the Lake.

 Economic Sustainability  Social Sustainability  Environmental Sustainability  Cultural Sustainability



Objective 7.18 Minimize intrusion of utilities in parks.

Policy.1


Utilities in Parks. Public or private utilities will not be located in parks and natural open spaces unless an overall public benefit and no net environmental loss can be demonstrated. Where these criteria can be met, the utility must be located and designed in such a way as to have no visual impact to the surrounding neighbourhood.

“
**Protect the City’s
 groundwater resource
 from inappropriate
 development...**
 ”

GENERAL UTILITY POLICIES

Objective 7.19 Ensure efficient, sustainable and context sensitive implementation of utilities.

Policy .1


District Energy System. Where a district energy system is in place or is planned, implement a Service Area Bylaw to ensure new buildings in the service area are ready for connection to the district energy system.

Policy .2


Energy Reduction Priorities. In working to reduce greenhouse gas emissions, place a primary focus on reducing demand, then prioritize further efforts in the following sequence: re-using waste heat, using renewable heat, and then finally on using renewable energy.

APPENDIX B



Discussion Paper



Parks Financing Framework Phase 1 Policy Review

October 2010

USL File: 0467.0398.01

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City of Kelowna
 Parks Financing
 Framework
 Phase 1
 Policy Review
 Discussion Paper

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DRAFT

1.0 INTRODUCTION

1.1 Background

The City of Kelowna requested Urban Systems Ltd. (USL) to undertake a review of how future parkland acquisition and development is financed, and provide recommendations to update the City's parks financing framework. As part of the review, the consultant was asked to review current policies and evaluate the alternatives available to provide added flexibility to the City in providing the required parkland and park development needs for the growing community. Currently, the City collects Parkland DCCs on all new residential developments and utilizes these funds as the primary source of funding for parkland acquisition of City, Recreation, Community and Neighbourhood Parks. The DCC revenue is topped up with funds provided through general taxation where approved by Council. Currently, the City does not generally use the 5% parkland dedication / cash-in-lieu provisions outlined in the *Local Government Act (LGA)*.

This report also discusses other means by which the City can acquire parks and open spaces (e.g. linear parks and environmentally sensitive areas), as well as provides a review of a proposed policy change by the City to increase the parkland standard from its current 2.2 hectares (ha) per thousand of new population growth.

To undertake a review of the City's Parkland Acquisition Policies, our approach addresses three (3) primary questions:

- What is the current situation?
- What are the options for parkland financing and development, and what are the benefits and drawbacks for each?
- What are the appropriate financing tools, strategies and policies for the City of Kelowna?

1.2 Objectives

The objectives of this review include the following:

- Recommend a diversified funding structure to the City of Kelowna for future parkland acquisition and development;

- Review the potential use of the 5% parkland dedication / cash-in-lieu provisions of the *Local Government Act (LGA)*;
- Review the potential to levy Parkland DCCs on non-residential development – e.g. commercial land uses;
- Provide clarity and consistent policy and practices for parkland acquisition with explicit statements on policy;
- Review a proposed policy change of increasing the current parkland requirements of 2.2 ha per thousand population, as set out in the draft Kelowna 2030 OCP document and the Parkland Supply Review currently being undertaken by another consultant (Catherine Berris Associates).

1.3 Report Format

The report is organized into the following sections:

- Section 1 - Introduction
- Section 2 - Guiding Principles and Best Practices
- Section 3 - Current City Parkland Acquisition Policies & Practices
- Section 4 - Review of Practices in other Communities
- Section 5 – Policy and Finance Analysis
- Section 6 – Policy Review Summary and Recommendations



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2.0 GUIDING PRINCIPLES AND BEST PRACTICES

2.1 Guiding Principles

Parkland acquisition and development policies should be guided by overarching principles. The Ministry of Community and Rural Development (“the Ministry”) has developed a Parkland Acquisition Best Practices guidebook which suggests that local governments develop parkland acquisition policies based on the following principles:

- Integration
- Benefiter pays
- Fairness
- Equity
- Accountability
- Certainty
- Consultation

Evaluation of the various policy and financing options leading to the consultant’s recommendations has been based on these guiding principles.

2.2 Key Development Considerations

In addition to the general tax base, much of parkland acquisition and development will be funded from new development. Openness and transparency, predictability of actions, and respect between players (City, land owners and developers) are fundamental preconditions for good development. The City of Kelowna maintains an open and excellent relationship with the development community, and this review takes that into consideration in order to ensure that there is:

- Equity for the development community (“level playing field”)
- Transparency and clarity in developing land valuation calculations
- Sufficient revenues and land required for future park needs to service both the existing community and new development

2.3 Best Practices

In addition to guiding principles, the Ministry's guidebook identifies a number of best practices to take into consideration when developing a parks financing strategy:

- Avoiding double-charging
- Land vs. cash-in-lieu
- Basis for the 5% calculation
- Selecting parkland within a subdivision
- Determining the cash-in-lieu value
- Park frontage costs
- Consideration of parkland needs, and
- Consideration for non-residential parkland requirements.

A comparison of the recommended best practices compared to the current City policies is included as Appendix 'A' to this report.

3.0 CURRENT CITY POLICIES AND PRACTICES

3.1 Current Policies

The City has established a number of policies and guidelines for the acquisition of parks within the community. The City of Kelowna's current "**20 Year Servicing Plan and Financing Plan**" sets out the following assumptions for Parkland Acquisition to the 2020 planning horizon:

Parks/Open Space Acquisition

*The Parkland Acquisition program represents the costs of acquisition of City-wide, district, community and neighbourhood parks required to service the projected additional population over the 20 year planning horizon. The service standard identified is based on a standard of **2.2 hectares per 1,000 population**, the City will need to acquire **125 hectares** of park over the next 20 years at an estimated cost of **\$144.1 Million**. This represents an average annual expenditure of **\$7.2 Million** over the 20 year planning horizon of the OCP to the end of 2020.*

The following servicing assumptions have been incorporated into the Park land Acquisition program:

- *In order to accommodate the higher density form of new growth projected in the Official Community Plan, there will be a need to **acquire some land with existing improvements on the land**. This will provide neighbourhood parks in close proximity to growth areas and will increase the average value of land as compared to purchasing vacant land.*
- *The cost of purchasing some waterfront Parkland has been included in the calculations for City Wide park requirements.*
- ***Acquisition costs** are based on the current values of actual identified properties and estimated future acquisitions, by park type and by growth area.*
- *The Parks Land Acquisition program **does not include any park development** or provision of park amenities. Parks development costs can be recovered directly from new growth but, consistent with the previous program, has not been included.*
- *Other park amenities such as **linear parks, creek corridors and natural open space** will be acquired, however costs of these amenities will not form*

a part of the standard of 2.2 hectares per thousand and will not be recovered directly from new growth.

The inclusion of linear parks and creek corridors would necessitate an increase in the current standard. It has been determined that these spaces relate to urban form and a desire to protect natural features within the community rather than to population growth and it would be impractical to set a standard based on acreages.

3.2 Current Development Cost Sharing Model

The current cost sharing model, as set out in the City's Servicing Plan, estimates the allocated of Parkland Acquisition costs to 2020 as follows:

Funding Source	Amount	Percent of Total
General Taxation	\$13.3 Million	9.2 %
Development Cost Charge (DCC)	\$127.4 Million	88.4 %
DCC Reserve Fund	\$3.4 Million	2.4 %
Total Program Cost	\$144.1 Million	100.0 %

Cost Sharing Principles & Assumptions

- Acquisition of Park Land is assumed to be of primary benefit to residential growth and the cost of the program, therefore, is applied **only to residential growth units**.
- Required land and costs are based on a standard of **2.2 hectares per 1,000** population.
- DCC value now based on **population growth and specific lands to be acquired**.
- A **single sector approach** has been used for the entire city which is consistent with the cost sharing methodology used in the previous plan.
- To determine the **land values**, developed areas were included where appropriate and limited provision was made for the acquisition of waterfront properties from new growth directly.
- The municipality, at its option, may require the developer to **dedicate 5% of the land to be subdivided**, in a location satisfactory to the city. The developer who dedicates land will receive credit for a portion (usually neighbourhood park component) of the Development Cost Charge. The

municipality may exercise this option only when it deems that the value of the dedicated land is **equal to or exceeds the value** of the Development Cost Charge credit.

- An “assist” factor of 8% has been used to develop the charge applicable to new growth which is the same rate used in the previous plan. The assist factor represents the deemed benefit to existing taxpayers of the acquisition of additional parks.

3.3 Current Practices

As part of this project, the consultant team interviewed a number of City staff to review the City’s current practices with respect to parkland acquisition, development, and dedication. Highlights of the City’s current practices are summarized below:

- As previously noted, the current policy for the Parkland Acquisition program is based on 2.2 ha per thousand population and is currently under review (possible increase to 2.4 ha per thousand);
- Regional Parks (e.g. Bertram Creek and Mission Creek) do not appear to be accounted for in the City’s current supply of active parkland, even though they are utilized by City residents for similar functions;
- City-wide Parkland DCC contribution in the amount of \$5,069 per unit is collected from all new residential developments within the City in accordance with DCC Bylaw No. 9095;
- Parkland Acquisition Guidelines call for acquisition of land through dedications to the City at the time of subdivision for Linear Parks and Natural Area Parkland (environmentally sensitive areas) over and above the DCC contribution, without cost to the City;
- The requirement for a 5% dedication of Parkland under Section 941 of the LGA is not currently utilized, except for special cases in the development of remote Greenfield sites, (e.g. McKinley / Kinnikinnick Resort Development), which is currently being negotiated;
- Acquisition of parkland for active parks (City, Recreation, District, Neighbourhood) are primarily funded by Parkland DCC contributions, with additional contributions from General Taxation as may be required and authorized by Council;
- No DCCs are collected for active park development purposes; and

- All park development costs are currently paid by the City from General Taxation revenue.

3.4 Summary of Current Policies and Practices

Based on our review, some of the potential financial impacts of the current cost sharing model are as follows:

- At the current policy of 2.2 ha per 1,000 population, parkland acquisition will require significant funds over the next 20 years in order to acquire 87 hectares of parkland by 2030. If this is increased to 2.4 ha per 1,000 population, an additional 34 hectares of parkland would be required (total parkland acquisition of 121 ha). Any increases to the active parkland supply formula should be considered carefully with respect to the potential financial impact to development cost charges (DCCs) and general taxation.
- Regional Parks do not appear to be included in the current active parkland supply calculations, even though some of these parks (e.g. Bertram Creek, Mission Creek) service similar functions as active City-owned parks. They should be included in the City's active parkland supply calculations.
- Linear parks are not included in the current active parkland supply calculations, which account for an additional 75 hectares (or 0.6 ha per 1,000 population). Accounting for linear parks within the active parkland supply could potentially lower the parkland acquisition requirements, thus lessening the potential financial commitments.
- The acquisition of linear parks is not currently funded within the DCC program as the City has other mechanisms to acquire them, at no cost to the City. This practice should be maintained, where practical.
- The purchase of linear parks, creek corridors and natural open space which are not achieved through re-development (e.g. right-of-way dedication or protection through restrictive covenants), will need to be funded through general taxation.
- Significant park development costs are not included in the formulation of the Development Cost Charge levy and must be considered when developing the 10 Year Capital Plan, and funded through general taxation.



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4.0 PRACTICES IN OTHER COMMUNITIES

Throughout British Columbia, many municipalities collect Park DCCs (for both land acquisition and park development), and also make use of the 5% dedication of land/cash-in-lieu provisions of the LGA. These tools may be used in combination with one another in a fair and equitable fashion, although care must be used to avoid charging developers twice for the same acquisitions. Therefore, it is necessary for guidelines to be established by the local government to clearly demonstrate how it will avoid double-charging developers. The following outlines the current practices in a number of BC municipalities which are provided in this discussion paper for comparative purposes.

4.1 Park Development Cost Charges

City of Surrey - collects DCCs as a tool to acquire new Parklands. Also utilizes the 5% dedication/cash-in-lieu provisions of the LGA, at the sole discretion of the City, and will negotiate up to 50% land dedication through density bonusing for new development. Parkland needs are expressed as a standard of 4.2 ha per 1,000 population, and the City applies this standard to all future growth. The municipality calculates how much of its target can be acquired through the 5% dedication provisions and the remaining amount of land becomes the basis for the DCC calculations.

As the City reaches build-out in the City core and other areas, it is looking to mini-parks or urban plazas as part of redevelopment process with parkland to service residents within 400 meters of the site. Currently recommending consideration of some form of green amenity every 200 meters, e.g. rest stops at Greenway entrances, to be negotiated on private property or alternatively negotiate a 'right of passage' for the public use.

Langley, Maple Ridge, Mission and West Kelowna – These municipalities collect DCCs for only certain types of Parkland (e.g. City-wide or Community Parks) and use the 5% dedication at subdivision for other types of Parkland, such as Neighbourhood Parks, meeting a more localized need.



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City of Burnaby – utilizes the 5% Parkland dedication of land for new developments and also has a Parks DCC Bylaw in place. Burnaby issues DCC credits to eliminate any double-charging for Parkland acquired through the 5% Parkland dedication provision.

City of Kamloops – Kamloops collects DCCs on all new developments, for Parkland Development purposes only, and requires the dedication of 5% of subdivision land for Parkland purposes where designated on the City's plans. If not specifically dedicated by plans, the City takes a 5% cash-in-lieu contribution based on the value of the subdivision land. The 5% dedication or cash-in-lieu is in addition to the dedication of any ESA lands that are required by the City.

4.2 Acquiring and Protecting Creek Setback Areas

Township of Langley – requires creek setback areas to be dedicated through its OCP for Streamside Protection and Enhancement. It also uses Development Permit Areas to protect watercourses from deterioration and encroachment by urban development.

District of Maple Ridge – uses 5% dedication at subdivision exclusively for obtaining setback areas, while other municipalities may not acquire ownership of creek setback areas at all, and instead require registration of restrictive covenants. The District (in addition to 5% dedication at subdivision) uses negotiations at rezoning to acquire these areas.

City of Surrey – Linear parks are negotiated with developers at rezoning as a density trade-off or as a 'right of passage' for public use, over and above the 5% Parkland dedication requirement.

4.3 **Obtaining Trails:**

Many municipalities use the rezoning process to acquire trails. In addition to negotiating trail development at rezoning, some jurisdictions like the Township of Langley use density bonusing and are moving towards the use of a public amenity fee to satisfy developers desire to see the cost of trail/greenway development spread evenly over all of the developing area.

The Township of Langley – in addition to using density bonusing, also declares trails as Essential Services in its subdivision bylaw, which means the trail must be in place prior to issuance of a building permit.

District of Maple Ridge – makes use of the broad definition of “highway” and sometimes obtains trails as an off-site “works and service” during the subdivision process.

4.4 **Non-Residential Parkland DCCs:**

Some examples of jurisdictions collecting DCCs on non-residential developments are as follows:

City of Chilliwack – Collects a DCC charge for new institutional development at a rate of \$12.80 per square meter basis, but does not charge for Commercial or Industrial Developments.

City of Port Coquitlam – Collects DCCs on Non-Residential Developments for Parkland Development only with a \$1.28 per square meter charge on commercial developments and a charge of \$6,334 per hectare for new industrial development with a two sector geographic consideration.

District of North Vancouver – Collects DCCs for Parkland Acquisition on all new Commercial, Industrial and Institutional developments on a per square meter basis. Current DCC rates are \$8.079 per m² for Commercial, \$1.390 per m² for Industrial, and \$4.181 per m² for defined institutional developments within the District.

City of Richmond – Utilizes a DCC charge for new Commercial and light Industrial Development on a per square foot basis for Parks Acquisition and



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Development. Major industrial development is also charged DCCs for Park Acquisition and Development on a per acre of gross site area. Current rates are \$1.10 per square foot for Parks Acquisition and \$0.46 per square foot for Parks Development purposes for Commercial and Light Industrial developments. Industrial development is levied a per acre charges of \$4,275.10 and \$1,794.35 for park acquisition and park development respectively.

City of Surrey – Currently collects DCCs for Parkland purposes on specific commercial developments on the Highway 99 corridor and City Centre developments. Current DCC rates are \$15,119 per acre for all zones and land uses within the Highway 99 corridor.

City of Victoria – Charges a Parkland Acquisition and Development DCC for all new Commercial, Industrial and Institutional Development within the City. Current rates are \$1.26 and \$0.53 per sq.m. total floor area for Commercial developments, \$0.52 and \$0.22 per sq.m. total site area for Industrial developments, and \$1.26 and \$0.53 per sq.m. total floor area for Institutional developments, levied for Parkland Acquisition and Parkland Development purposes respectively.

Appendix 'B' to this report sets out Parkland Acquisition and Dedication Practices in a number of other B.C. jurisdictions.

5.0 POLICY AND FINANCE ANALYSIS

This section provides an overview of the City of Kelowna's current policies with respect to parkland acquisition and development. It introduces a number of options for the City to consider, outlining the pros and cons of each of the potential strategies.

5.1 Current Policy Observations and Potential Risks

Based on our review of the City of Kelowna's current policies related to parkland acquisition and development, the following is a summary list of our observations and potential risks:

- Future demographic trends continue to indicate an aging population, smaller family sizes and lower growth projections;
- The Kelowna OCP 2030 Draft Plan indicates a potential decline in growth projections from the previous OCP – from over 2% per annum in the 2020 OCP Plan to a revised 1.51% estimated growth for the 2010 to 2030 planning horizon;
- The reduced growth rate translates to a reduction in projected new housing units – from 25,539 units for the period 2001 to 2020 to revised projections 19,906 new residential units for the period 2010 to 2030, a reduction of 22%;
- Declining construction activity in recent years due to the economy has led to a reduction in DCC revenue for Parkland purposes – the average annual construction between 2006 and 2008 was 1,464 units, compared with only 453 units in 2009. This represents a decline in the number of new units per annum of 69%;
- The current Financial Plan and Parkland Standard calls for Parkland Acquisition expenditures totaling \$30.95 Million over the next five years for an average of \$6.19 Million per annum. This is without any proposed increases to the current per capita parkland standard of 2.2 ha / 1,000 population;
- DCC Parkland reserve funds are currently being depleted – the Parks Reserve Fund balance at the end of 2008 was \$7.13 million, declining to \$5.52 million as of December 31, 2009;

- Revenue projections for Parks DCCs for 2009 was estimated at \$6.3 million, compared to actual collection in 2009 of only \$1.04 Million;
- The cost of all Parkland Development is currently derived from general taxation revenue (i.e. there are no DCCs levied for parkland development);
- UDI and the development industry continue to express concern with the level of contributions towards Parkland DCCs (and the total cost of development in general).

5.2 Policy Considerations

In addition to DCCs, the City has the authority to utilize several different tools to acquire and/or protect parkland; specifically, this may include protection of stream setback areas and dedication of greenway/trail corridors adjacent to these areas. The City's current policies and practices are in line with most other BC municipalities with respect to parkland acquisition and the use of Parkland DCCs, with the exception of the following practices:

- 5% dedication of parkland upon subdivision of land not widely utilized;
- Some communities do not include neighbourhood parks within their DCC program;
- The active parkland target (i.e. 2.2 ha / 1,000 population) is defined differently in different communities;
- DCCs for Parkland Development are not levied;
- Non-Residential Development is not levied a Park DCC;
- All residential development is levied the same 'per-unit' Park DCC, whereas all other City of Kelowna DCCs utilize a 'density gradient'.

The following discussion will consider each of the practices above and identify the potential pros and cons of amending this practice in the City of Kelowna.

5.2.1 *Provision of 5% Parkland dedication at subdivision in accordance with Section 941 of the Local Government Act*

Positive Attributes:

- Legislative authority currently in place
- Common practice in many other BC jurisdictions

- With increasing cost of land, serves as an alternative source of Parkland and reduces pressure on tax supported funding
- Is an appropriate vehicle to get the Parkland where needed in Greenfield developments
- In areas where land is not specifically identified/required, Cash-in-lieu of the 5% dedication can be obtained, based on value of the land being subdivided
- No restrictions on the use of Cash-in-lieu as City-wide policy application
- Currently under consideration for some greenfield sites, e.g. McKinley Resort Development (Kinnikinnick)

Negative Aspects:

- Only applies to subdivisions of 3 lots or greater, and therefore does not address redevelopment and densification e.g. Downtown core and other areas of the City with traditionally higher land costs
- Lands required must be identified (generally) in the Official Community Plan, otherwise the developer has the option of providing land or cash-in-lieu
- May be resisted by development community/Urban Development Institute, especially if an off-setting DCC credit is not provided

5.2.2 Removal or reduction of Neighbourhood Parklands within the DCC Program

Positive Attributes:

- Used in conjunction with the 5% parkland dedication, can provide additional flexibility with respect to neighbourhood parkland acquisition
- Common practice in some BC jurisdictions
- Concentrates DCC program on “higher-order” parklands (City, Recreation, Community)
- Allows for potential additional funding to be directed towards other park needs (e.g. park development)
- Reduces general taxation requirement for the Neighbourhood Parkland DCC component (i.e. 8% assist factor)

Negative Aspects:

- As discussed in the previous section, the 5% works effectively only on Greenfield subdivisions; therefore, general taxation would be required to fully fund new neighbourhood parks that were not achieved from 5% dedication or cash-in-lieu
- For a reduction in the DCCs, it would require a change in Parkland DCC policy to remove some neighbourhood parkland components the DCC calculations in order to ensure no duplication of charge
- Some additional administrative costs may be incurred as current DCC policy includes a 1% cost allocation which is recovered through the DCC program and would be lost under the proposed policy change

5.2.3 Proposed increase in Active Parkland standard from the current City standard of 2.2 ha per thousand population.

Positive Attributes:

- Consistent with the City's vision of a greener, more livable city
- Would provide more Active Parkland to address changing demographic and community desires
- In line with some other jurisdictions e.g. Surrey, Maple Ridge, Abbotsford and Vernon, where current Active Parkland standards exceed 3.0 ha per thousand population
- Would move towards the Provincial average of about 2.5 ha per thousand according to recent BCRPA survey results

Negative Aspects:

- An increase to 2.4 ha per thousand would require an additional 34 ha of Parkland over the current standard to 2030 (CBA 2010 estimate); an increase to 3.0 ha per thousand would require a further 102 ha
- The figure does not include linear parks and trails (e.g. Mission Creek Greenway), or passive open spaces (environmentally sensitive lands, steep hillsides), which are in addition to the active Parkland required. Including all of these areas, the total Parkland is estimated at 7.8 ha per thousand (900 Hectares/115,000 population) as per the City's 2009 Annual Report

- The figure does not appear to include Regional Parks included within City boundaries, e.g. Bertram Creek Regional Park and Mission Creek Regional Park
- Much of the future Parkland needs will be in areas of redevelopment / increased density, such as the Downtown core and Rutland centre, with high land costs to meet requirements
- Escalating land costs and decreasing growth projections will lead to higher DCC rates for Parkland acquisition at current standards, let alone increased standards
- Increasing budget pressures on all fronts will limit available funding from general taxation, given the public's resistance to significant increases in taxation
- Would require additional cost for development of new parks and maintenance costs that are totally funded from general taxation

5.2.4 Addition of Park Development in the DCC program

Positive Attributes:

- Provides a new source of revenue for park development, to create significant usable park spaces to be enjoyed by existing and future development
- Would lessen the burden on general taxation to fully fund park development within the City of Kelowna
- Is common practice among a number of larger communities in British Columbia (e.g. Surrey, Victoria, Coquitlam)

Negative Aspects:

- Would constitute a new DCC levy for new development, which may not be appropriate in the current economic climate

5.2.5 Inclusion of Non-Residential Development in the DCC program

Positive Attributes:

- Provides a new source of DCC revenue for Parkland purposes from the additional land uses (e.g. commercial, industrial, institutional)
- No impact on residential housing costs

- Current practice to collect DCCs for Parkland Acquisition/development on non-residential developments in a number of BC municipalities
- Would provide an additional source of DCC revenue to address the higher cost of lands required to service commercial areas, particularly in the downtown core

Negative Aspects:

- Applies a charge to buildings rather than people
- Not consistently applied throughout all other local government jurisdictions (although it is fairly common practice in larger municipalities)
- More difficult to link benefit of parks to some non-residential land uses (e.g. industrial)
- Although some institutional uses may derive benefit from parks (e.g. hospitals), other institutions already provide their own form of park land and development (e.g. schools, child care facilities, universities)
- Anticipate resistance from the development community (especially non-residential builders), unless there was a corresponding decrease to the other DCC categories

5.2.6 Use of a Densification Gradient

Positive Attributes:

- Consistent with the City's of Kelowna's policies for other DCC infrastructure (e.g. transportation, sanitary sewer, water)
- Would potentially reduce Parks DCC levy on multi-family developments, consistent with Council's policy to increase density in designated areas
- More equitable application DCC policy by basing contribution on people not units, recognizing the difference in occupancy level of housing units
- Consistent with DCC Best Practice Guidelines issued by the Ministry of Community & Rural Development
- Density gradient is currently used by a number of other BC jurisdictions

Negative Aspects:

- Although the 'average' Park DCC could be designed to remain the same, it would potentially increase the DCC rate on single detached units to offset the reduction for higher density, multiple unit development



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- Given the current economic climate, there may be resistance to change from the development community

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6.0 POLICY REVIEW SUMMARY AND RECOMMENDATIONS

This discussion paper provides a detailed review of Provincial legislation and best practices, current City of Kelowna policies, and practices in other communities throughout BC regarding Parkland acquisition and development. Based on the options available, it is the consultant's considered opinion that the following policy areas will provide the best opportunities to the City to diversify its funding structure for Parkland Acquisition and Development for future years.

6.1 5% Parkland Dedication / Cash-in-Lieu Provisions

A review of the City's current practice indicates that there is some potential to greater utilize the statutory parkland dedication requirements within the City of Kelowna. However, because of the nature of the legislation, the impact will be greatest felt in areas with 'greenfield' development for subdivisions of 3 or more parcels. This accounts for only approximately one-third of the new residential development within the 20 year planning horizon.

Although the legislation exists obtain 5% parkland or cash-in-lieu at time of subdivision, a number of things should be taken into consideration by the City, in accordance with provincial best practices. These are detailed in Appendix A of this report and summarized below:

Policy Considerations:

- Continue to utilize the 5% dedication / cash-in-lieu of parkland on an as-needed basis for greenfield subdivisions of 3 or more lots
- Need to identify areas in OCP (generally) where 5% dedication is to be considered, for consistency with the Local Government Act
- Consistent with best practices, parkland dedication area should include all 'active' park areas, including linear parks, trails, and viewing areas. Environmentally sensitive areas protected under covenant with no public access do not form part of the 5% dedication
- Ensure that the cash-in-lieu provisions, when applied, are done so consistently and fairly
- Follow Provincial Best Practices to ensure no "double charging" occurs

Recommended Actions:

- No new legislation required as authority currently in place in *the Local Government Act*;
- Amendment of City's Parkland Acquisition Guidelines #1.3 - (Non-DCC Parkland provision) to require a 5% dedication of lands for Park purposes on all new (major) greenfield developments within the areas of the City designated with new Parkland requirements on its OCP mapping and Parkland Acquisition policy documentation;
- Guideline #1.3 to be amended by the addition of specific provisions for the determination of the Cash-in-Lieu as follows:
 - Valuation of development lands to be determined by the Real Estate Department of the City;
 - Value to be determined on the entire subdivision area
 - Valuation to be based on property value as zoned for development
 - Valuation disputes to be resolved by independent, qualified appraisal valuation.
- Through the OCP update process, generally identify the locations where new neighbourhood parks are desired and include policies with respect to the use of the 5% dedication, as per the Local Government Act

Options:

- **Option 1:** Where Parkland is taken under the 5% dedication, a DCC offsetting credit to be provided to the developer based on the value of the lands being developed up to a maximum of the Parkland DCC contribution otherwise required.
- **Option 2:** Review and exclude potential Neighbourhood and Community Parklands from DCC program which would fall under the 5% land dedication and collect full DCCs for other Parkland uses e.g. Recreation and City-wide Parklands, on the Greenfield developments involved.

Note: Based on discussions with City staff, Option 2 would require some additional staff resources to review and exclude specific neighbourhood and community parklands from the DCC program. Moreover, as some areas would be subject to both 5% dedication and Parkland DCCs (since

the lands were specifically excluded), it may be perceived as “double-dipping” even though technically it is not.

6.2 Include Non-Residential Development in the Parks DCC Program

Based on the research undertaken in this discussion paper, there is indeed some justification for levying Park DCCs for non-residential developments (especially commercial development) as parks are shown to be a benefit to employees, business owners and the development community. Assessing Park DCCs for non-residential development is an accepted practice in some communities in the Lower Mainland and Vancouver Island communities, with varying rates for industrial, institutional, and commercial development, parkland acquisition, and/or park development. Given that the majority of future development in Kelowna is focused on densification and mixed uses within the Urban Centres, the quantity and especially quality of urban park environments will be affected by new growth (both residential and non-residential). Some things to consider when developing such a Park DCC component for non-residential development are as follows:

Policy Considerations:

- Institutional DCCs for Parks are somewhat difficult to justify, especially for schools and universities which provide their own park space.
- Industrial DCCs for Parks are also difficult to justify, given the limited amount of potential industrial growth in Kelowna and the difficulty of showing correlation between industrial development and park development.
- There is possibly a rationale for Parks DCC for the hospital area, but the direct correlation may be difficult to justify, and the benefits are directed more towards employees rather than users (e.g. patients).
- A correlation between new commercial development and park development has been shown in numerous comparison municipalities, and seems justified in Kelowna. A more thorough policy analysis would be needed to determine the extent and impact of charging commercial DCCs for Parkland acquisition and/or development.
- A general resistance to increase in DCC charges can be anticipated from the development community, led by the Urban Development Institute.

Recommended Actions:

- Review the current Parks DCC program and consider including new commercial development as a contributor to Parks DCCs

6.3 Include Parkland Development Costs within the DCC Program

Similar to non-residential categories within Parks DCCs, there are a number of comparison communities which include park development within their Development Cost Charges program. Some communities restrict park development DCCs to neighbourhood parks only, others to municipal-wide park development only, and still others for all categories of park development. Through our research, it is evident that new development, to some extent, impacts and drives the need for park improvements for all parkland categories in the City of Kelowna. The allocation of that impact and the park categories will need to be determined through further Park DCC analysis.

Policy Considerations:

- Many communities throughout BC (especially larger communities) include Parkland development in their DCC program.
- Parkland development is highly regulated by the Ministry - see Ministry Circular #97:04 attached as Appendix 'D'.
- Which park categories should be included in the DCC Program for park development – Neighbourhood and Community Parks only, City-wide only, or all park categories.
- Is there an appetite to increase the total DCCs to accommodate Parkland development?
- Resistance to increase in DCC charges can be anticipated from the development community, led by the Urban Development Institute. An enhanced public consultation process will likely be required.

Recommended Actions:

- Prepare cost estimates of Park Development Program to be considered for the Parks Development DCC, consistent with Ministry Circular #97:04.
- As part of the next DCC Major Update, undertake a detailed review to consider the approach and impact of including Park Development DCCs within the overall DCC program.

6.4 Use of Density Gradient for Park DCCs

The City of Kelowna utilizes a sophisticated density gradient for apportioning DCCs to residential development. This is an accepted, if not the preferred, methodology supported by provincial best practices and the Urban Development Institute. The density gradient is applied to all other infrastructure classes (transportation, water, and sanitary sewer) except for parkland acquisition. The rationale for the unit-based Parkland DCC calculation is that the denser residential developments will rely more heavily on the City's parks system (especially neighbourhood and community parks) than larger single-detached developments where you have more back yards. This is reasonable rationale, but one which deserves review from time to time.

Policy Considerations:

- The residential density gradient is utilized by the City of Kelowna for all other DCC components and many other jurisdictions. However, there is a reasonable rationale in place for utilizing a unit-based Parks DCC.
- A density gradient for Parks DCC will likely promote residential densification, but may have a negative impact on single detached DCCs (i.e. DCC increase).

Recommended Actions:

- That the City give consideration to a Density Gradient for Parkland Acquisition and Development in future DCC Bylaw reviews.

6.5 Proposed Increase in Parkland Standards for Future Development

The City of Kelowna currently utilizes a parkland standard for active parkland based on 2.2 hectares per 1,000 population. There are a number of ways in which this standard is calculated such as the inclusion or exclusion of linear trails, beach accesses, school playgrounds, regional parks, and natural open spaces. Through the OCP process, the City is considering increasing the parkland standard for new development, between 2.4 hectares and up to 3.0 ha/1,000 population. The City recently commissioned a consultant (Catherine Berris and Associates) to review the impacts of such a policy change. This discussion paper does not delve into the rationale for this policy change, but makes the following observations and policy considerations:

Observations

- Total City Parkland and other passive green spaces are estimated at 1,711 ha representing 7.8 % of the City's total land base. The suggested target is 12% of total land base (United Nations and B.C. Government standards).
- Excluding ALR lands (38% of the total land base) increases total Parkland and green space to 12.38% of the City's total land base
- Including Regional Parks increases total Parkland and green space to 1,821 ha representing 8.2% of total land base and 13.2% if ALR lands are excluded from the land base.

Policy Considerations:

- The 2010 Parkland Supply Review conducted by Catherine Berris and Associates (CBA) recommends an active parkland target of 2.4 ha/1,000, which would require a total of 121 hectares of parkland acquisition to 2030 (an additional 34 ha over the current program).
- The City's currently calculates its Active Parks supply on four park categories – neighbourhood, community, recreation, and City-wide. Although the CBA report recommends against including Linear Parks (75 hectares) within this calculation, the City should consider including Regional Parks (at least those with an active park component) within the total, for the basis of its parkland standard.

Recommended Actions:

- Review this Discussion Paper along the CBA Parkland Supply Review document to determine an appropriate active parkland standard for the City of Kelowna, and update the Kelowna 2030 OCP accordingly.



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APPENDIX A

Best Practices Comparison

Recommended Best Practices compared to Current City Policy

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1. **Avoid Double-Charging Best Practice**

A municipality that chooses to acquire parkland using the 5% dedication/ cash-in-lieu provisions and parkland DCCs should demonstrate in its reference materials, including its DCC Background Report, how it will avoid double-charging developers.

Current City Practice:

- DCCs are collected for Park Land purposes based on a policy of 2.2 hectares/per thousand population with no requirement for the 5% dedication / cash-in-lieu provisions.
- No DCCs are collected for Park Development purposes and this represents a Large unrecovered expenditure from General Revenue funds
- Subdivision Approval Officer is currently giving consideration to 5% land dedication for major new development only, e.g. McKinley Resort Development. Current practice ensures developers are not charged twice if this vehicle is used – e.g. DCC credit for value of active parkland provided
- Parkland Acquisition Guidelines call for acquisition of land through dedications to the City at the time of subdivision for Linear Parks and Natural Area Parkland (environmentally sensitive areas) over and above the DCC contribution.
- Linear Park dedications also required at rezoning for multiple-unit housing, commercial, industrial and institutional developments.
- General Tax Revenue is used for Park Acquisition for Non-DCC Parkland that cannot be acquired through redevelopment or that cannot be related to the needs of growth.

Policy issues for consideration by Council:

The current draft of the update of the OCP calls for an increase in Parkland dedication from 2.2 hectares per 1,000 new residents to 3.0 hectares. The proposed policy is to move to the new standard over time, with 2.2 ha/1000 to stand until 2020 and move to 3.0 ha for the next 10 year period to 2030.

- How will this policy be documented and achieved?
- Is the rationale defensible?
- What extent of Passive Parkland to be included within the standard?
- How will Council deal with the escalating cost of land for Park purposes?

Practices of other Local Governments:

- **City of Surrey** - treats Parkland DCCs as a secondary tool to be used only to acquire lands that cannot be obtained through the 5% dedication/cash-in-lieu provisions. Parkland needs are expressed as a standard such as 10.5 acres per



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1,000 population and applies the standard to future growth. The municipality can then calculate how much of its target can be acquired through the 5% dedication provisions and the remaining amount of land becomes the basis for the DCC calculations.

- Another approach used by Langley, **Maple Ridge, Mission and West Kelowna** collect DCCs for certain types of Parkland (e.g. City-wide or Community Parks) and use the 5% dedication at subdivision other types of Parkland such as Neighbourhood Parks meeting a more localized need.
- **City of Burnaby** - issues DCC credits to eliminate any double-charging for Parkland acquired through the 5% Parkland dedication provision.

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2. Land vs. Cash-in-lieu Best Practice:

In general, land owners should expect to provide or dedicate land in locations where a park has been identified in a neighbourhood plan, or referenced in other land use planning documents through specific policies or illustrations on a land map. Where future park locations are not identified or referenced in planning documents and development applications are consistent with land use plans, it is reasonable for owners to expect to contribute cash-in-lieu of land.

Current City Practice:

- Required Parkland is currently designated on neighbourhood plans and other planning documentation.
- Active Parkland requirements are primarily funded by Parkland DCC contributions which are required under the authority provided by DCC Bylaw No. 9095 as land is approved for residential development.
- Required lands are purchased at market value with funds provided by Parkland DCC Reserve Funds and General Taxation top-up as required.
- The requirement for a 5% dedication of Parkland under Section 941 of the LGA is not generally utilized except for special cases in the development of remote Greenfield sites, e.g. McKinley Resort Development.
- Current valuation of land is based on the entire subdivision area before dedication of ESA lands and valued as zoned for development.

Policy issues for consideration by Council:

Parkland planning is currently covered by the Official Community Plan, Neighbourhood Plans and the City's 20-Year Parks Acquisition Plan, which is guided by the City's Parkland Acquisition Guidelines. These guidelines give direction for the location, size and configuration of the land to be purchased or acquired through Parkland dedication.

With the ever increasing value of land, will the City be able to obtain sufficient Active Parklands to meet the future needs of the growing community under current policy and practices? Policy questions for consideration include:

- Should the City start to utilize the 5% Parkland dedication requirement for all new residential developments?
- If so, are the Parkland requirements sufficiently designated on current planning documentation to over-ride the developer's option to provide cash-in-lieu in accordance with Section 941 (2) of the LGA?
- What further steps must be taken to ensure the City may determine whether the owner must provide land?



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- In the event that the owner/developer's option prevails, what will be the basis for evaluation of the land for the equivalent 5% value to be contributed in cash?
- What new policies and guidelines are required to ensure transparency and clarity of the City's practices and fairness to the land owners and developers involved?

Practices of other Local Governments:

- It is the standard practice of most jurisdictions to designate specific Parkland sites in the OCP and other land use planning documentation.

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3. **Basis for the 5% Calculation Best Practice:**

When municipalities calculate a subdivision's required parkland contribution (up to 5% of the proposed subdivision area), environmentally sensitive areas, not intended for public access, should be excluded from the equation. If trails or other public features are planned for environmentally sensitive lands, these areas effectively represent passive parks; at least a portion should therefore be included in the total subdivision area of purposes of calculating the required 5% park dedication. Publicly accessed environmental areas should also be accepted by municipalities toward the 5% dedication.

Current City Practice:

- Linear Parks and Natural Area Parkland identified in the OCP, including lake front lands and creek corridors, are acquired by dedication, preferably as Titled lots, upon subdivision of land in addition to DCC contributions for Active Parkland requirements.
- Linear Parks and Natural Area Parklands are obtained by the City at no cost and are not considered as an offset to the required DCC Parkland contributions. This practice is supported by a legal opinion provided by the City's outside solicitors.
- Parkland DCCs are collected on all new residential developments to help fund future land acquisitions for Active Parklands for City-wide, Recreation, Community and Neighbourhood Parks use.

Policy issues for consideration by Council:

If the City utilizes the 5% Parkland dedication requirement for new subdivisions it will be necessary to give consideration to the following policy issues:

- How will the selection of Parklands within a subdivision be determined?
- What forms of parkland/green space should be considered? Active, Passive, Linear Parks, Natural Areas, Environmentally sensitive areas, others?
- How will the City avoid double charging if both land contribution and DCCs are used for new residential development?
- Is the policy to not consider the value of public trail lands as an offset to DCC Parkland contributions defensible?
- How will the current DCCs for Parkland be changed to reflect the contribution of land?

Practices of other Local Governments:

- Many municipalities use the rezoning process to acquire trails. In addition to negotiating trail development at rezoning, some jurisdictions like the **Township**



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of Langley uses density bonusing and is moving towards the use of a public amenity fee to satisfy developers desire to see the cost of trail/greenway development spread evenly over all of the developing area.

- **Township of Langley** - also declares trails as Essential Services in its subdivision bylaw, which means the trail must be in place prior to issuance of a building permit.
- **District of Maple Ridge** – makes use of the broad definition of “highway’ and sometimes obtains trails as an off-site “works and services” during subdivision.

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4. **Selecting Parkland within a Subdivision Best Practice:**

When 5% parkland dedication is required, the value of the lands being acquired by the municipality should represent, in approximate terms, 5% of the value of the entire subdivision.

Current City Practice:

- Valuation of land is based on the entire subdivision area before dedication of ESA and valued as zoned for development.
- Density for development is also based on the entire subdivision area.
- Required Parkland dedications are negotiated with owner/developers on Greenfield sites.
- Current practice recognizes dedication of Active Parkland areas as an offset to DCC contributions to eliminate double-charging the developer. This applies only to large Greenfield sites that are required to designate 5% of the development for Parkland purposes. (Only instance at this time is the McKinley Resort Development currently under consideration by the City's Approval Officer.)

Policy issues for consideration by Council:

Current City policy is to require payment of DCCs for Parkland acquisition and not to require dedication of Active Parklands. A change in policy to require a 5% dedication of land will require the following policy considerations:

- What types of Parkland are to be obtained under the 5% designation?
- Are Parklands adequately designated in the City's OCP, Parkland policies and other planning documentation?
- Are adequate useable lands available within the proposed subdivision and if not, how will the land be valued for the cash-in-lieu contribution?
- Will the services of a qualified land appraiser be necessary to determine value?
Or
- Will the City negotiate the value directly with the developer?
- How will disputes on valuation be resolved?

5. **Determining the Cash-in-Lieu Value Best Practice:**

Where cash-in-lieu is required, municipalities should encourage valuation of the land through an appraisal completed by a qualified professional. To promote equity, fairness and consistency in the cash-in-lieu valuation process, municipalities should consider developing a policy to resolve differences of opinion on value that arise between land owners and the municipality.

Current City Practice:

- Dedication of Active Parkland not generally required at subdivision at this time.
- Valuation of land is done by the Real Estate department of the City.
- Valuation of the land is determined on the entire subdivision area.
- Serviced lot value consideration with the property valued as zoned for development.

Policy issues for consideration by Council:

A change in policy to require dedication of 5% of land for park purposes will require the following issues to be addressed by Council. The Urban Development Institute and local developers are concerned about the current Parkland DCC contributions and will need to be convinced of the merits of the proposed policy change.

- How will the City consult with the development industry?
- What policies and practices will be implemented to ensure equity, fairness and consistency for the development community?
- How will Council resolve differences of opinion with the land owner on the value of the land involved?

6. Park Frontage Costs:

Where a significant road dedication or park frontage is required to develop a park on dedicated land, municipalities should consider sharing the costs of servicing the frontage of a park, either through cost-sharing agreements or DCCs.

Current City Practice:

- Access to Parklands is a paramount consideration and may be taken as an easement for legal access initially until a final designation by Titled Lot can be obtained for linear parkland purposes can be completed.
- Access to steep slopes is a concern as often inadequate land is designated to allow adequate access and room for stabilization work that may be necessary in the future.

Policy issues for consideration by Council:

- How much land should be required to be designated to ensure access to the lands for potential future maintenance requirements?
- Consideration of access to both the top and bottom of the slope for maintenance purposes?
- What is the extent of access development costs to be shared by the City when lands are dedicated by the developer for access to Parklands within a proposed development?
- What additional policies need to be established for clarity on the access issue in the Parkland Acquisition Guidelines?



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APPENDIX B

**Parkland Acquisition / Dedication Practices
in Other Jurisdictions**

October 2010
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Parkland Acquisition/Dedication Practices in Sampling of Other Jurisdictions

	Coquitlam	Burnaby	Langley (Township)	Maple Ridge	Mission	Kamloops	Port Moody	Surrey
<p>1. Is parkland acquisition included in your DCC bylaw? If so, for what types of parkland?</p> <ul style="list-style-type: none"> a. Neighbourhood parks b. Community parks c. District parks d. Trails e. Waterfront f. Creeks and setback areas g. Other 	Yes, all types included in the DCC program.	Yes, all types included in the DCC program.	Yes, community parks, district parks, and trails (at a municipal level) are included.	Neighbourhood, community and district parks are included in the DCC program.	District parks and environmentally sensitive parks in only one area (Cedar Valley).	No. Parkland Development costs only.	Yes. Identified as a contribution towards Public Open Space within the community.	Yes, all types included in the DCC program.
<p>2. What types of parkland are acquired through 5% dedication at subdivision?</p> <ul style="list-style-type: none"> a. Neighbourhood parks b. Community parks c. District parks d. Trails e. Waterfront f. Creeks and setback areas g. Other 	Neighbourhood and community parks, trails, waterfront, and creek and setback areas sometimes.	Typically, 5% cash-in-lieu is taken. Burnaby rarely requests parkland dedication. Cash-in-lieu/parkland dedication is used to acquire all types of parkland, but not usually for creeks and setback areas.	Trails (infrequently), waterfront (rarely), and sub-neighbourhood parks (tot lots when required).	Waterfront and creeks/setback areas are acquired through 5% dedication.	Neighbourhood parks.	n/a	Neighbourhood parks, community park, trails, creeks and setback areas, as well as athletic parks.	Yes, all types dedicated at subdivision – depends on location.
<p>3. What land is included in the total area for the 5% calculation (e.g. are environmentally sensitive areas or steep areas excluded)?</p>	Typically total area of land being subdivided.	Varies by development.	Gross developable areas, which does not include environmentally sensitive lands or steep slopes.	As much of the waterfront and ravine bank as possible, up to the set-back area.	Typically total area of land being subdivided.	Value of all land being subdivided.	Typically total area of land being subdivided.	Varies by development.
<p>4. What policies are in place to prevent “double-dipping” when parkland is dedicated at subdivision and DCC are collected for parkland?</p>	Total DCC program accounts for 5% dedication at subdivision.	DCC credits are given.	Only specific parks are covered in the DCC program as noted in Question 1.	The OCP states that land and/or cash can be taken for creek protection. DCCs are collected only for neighbourhood parks.	Follow Ministry of Community Services Best Practices Guide for parkland acquisition and DCCs (separate project lists)	N/a	To be determined.	DCC program accounts for 5% dedication at subdivision.
<p>5. What policies are in place to decide between parkland dedication and cash-in-lieu at subdivision?</p>	If OCP, Neighbourhood Plans, Parkland Acquisition Program, or Master Trail Plan shows park or open space, then land requested. Otherwise cash-in-lieu.	Varies by development, but typically 5% cash-in-lieu taken.	Always take land.	As per the OCP, if there is no watercourse, then cash-in-lieu.	Often determined by OCP – if OCP shows parkland on site, then land is requested.	Dedication only where designated on City's plans.	Typically land is taken; however, if parkland is not needed in a certain area, then cash-in-lieu is requested.	Determined by Parks Planning based on NCP, general land use plans, Parks Master Plan, parkland acquisition program, and local area concept plans.

	Coquitlam	Burnaby	Langley (Township)	Maple Ridge	Mission	Kamloops	Port Moody	Surrey
6. Does the municipality accept protected areas (i.e. streamside protection and enhancement areas as per RAR, SPR) as parkland dedication at subdivision?	Yes, sometimes it is transferred voluntarily, and in one Neighbourhood Plan, the land below top-of-bank is required by policy to be transferred to the City.	Sometimes. Depends on specific development.	Setback areas taken as dedicated lots in Township ownership under the Streamside Protection Bylaw. These areas typically have a public trail at their edge. If there is no public trail or if the area is not strategically located to complete a corridor, may require only a restrictive covenant.	RAR has not been adopted.	No.	Yes, in addition to 5% Parkland dedication.	Yes.	Yes. In multi-family sites, these areas are often dedicated at no cost to the City. Surrey has not adopted the RAR.
7. Does the municipality acquire ownership or protect streamside protection and enhancement areas? If so, through what means? a. Ownership through: i. 5% dedication ii. DCC iii. Other b. Rights-of way c. Restrictive covenants d. Other	Combination of methods used: 1) 5% dedication to create continuity and connectivity 2) DCC are used occasionally 3) Restrictive covenants if the owner does not transfer land voluntarily.	Covenants are typically used, though the City does acquire, outright, its large ravine parks.	Typically dedicated through Streamside Protection Bylaw. Rarely use rights-of-way, and infrequently use restrictive covenants.	Watercourse setback areas must be dedicated at rezoning. Where dedication cannot be achieved, a restrictive covenant is used.	DCCs are used to acquire ownership in one area (Cedar Valley). Otherwise, restrictive covenants are used.	Combination of methods used.	Typically, ownership is acquired through 5% dedication at subdivision. Rights-of-way and restrictive covenants are also used. Rights-of-way are often obtained in exchange for work to address bank erosion.	Ownership is acquired typically through the development process by all means noted, or purchased outright by the city.
8. How are trails acquired? Through works and services agreements? At rezoning? Parkland dedication? DCCs?	Most trails are obtained through 5% dedication at subdivision and DCCs. Works and services and rezoning are used less frequently.	Through the development process by a combination of these methods.	Most trails obtained at rezoning, though some trails are obtained through density bonusing. Township is moving towards a public amenity levy. Trails are also part of required off-site works and services.	Dedicated at rezoning or the approving officer requires dedication of a trail as a condition of subdivision.	Negotiated at rezoning or through use of DCCs in Cedar Valley.	Through development process by a combination of means.	Trails are negotiated through the development process or are obtained through 5% dedication at subdivision.	Varies by development. Either dedicated or taken as ROW at rezoning or development permit, or acquired.

	Coquitlam	Burnaby	Langley (Township)	Maple Ridge	Mission	Kamloops	Port Moody	Surrey
9. Does the municipality acquire ownership of trails or only statutory rights-of-way? How so?	Typically ownership is acquired. When City ownership is not practical or possible, then restrictive covenants are imposed.	Both ownership and SROW.	Township typically obtains ownership. Rights-of-way are rarely used (only in circumstances where the trail is located in a designated buffer between different land uses and the landowner is responsible for maintenance, or the landowner needs the land to preserve lot yield).	Ownership is preferred either as a "road" or within a dedicated park area.	Acquired or negotiated.	Ownership preferred.	Ownership is generally preferred.	Both, depends on situation.
10. Are decisions re: parkland acquisition made by Council or delegated to Staff?	Decisions are made by Council.	Acquisitions approved by Council, but dedication at subdivision handled by Staff.	Decisions delegated to Staff.	Acquisitions are approved by Council.	Subdivisions with 3 or more lots are reviewed by Staff for parkland requirements and then forwarded to Council for its decision.	Delegated by established policies.	Reports are prepared by Staff to Council for its final decision.	Reports are prepared by Staff to Council for its final decision.



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APPENDIX C

Current Parkland Acquisition Legislation

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Excerpt from *Local Government Act – Provision of park land*

- 941.** (1) *Subject to section 905.1 (4) (h) and (4.1), an owner of land being subdivided must, at the owner's option,*
- (a) *provide, without compensation, park land of an amount and in a location acceptable to the local government, or*
 - (b) *pay to the municipality or regional district an amount that equals the market value of the land that may be required for park land purposes under this section determined under subsection (6).*
- (2) *Despite subsection (1), if an official community plan contains policies and designations respecting the location and type of future parks, the local government may determine whether the owner must provide land under subsection (1) (a) or money under subsection (1) (b).*
- (3) *Despite subsections (1) and (2), if a regional district does not provide a community parks service, the option under subsection (1) (b) does not apply and the owner must provide land in accordance with subsection (1) (a).*
- (4) *The amount of land that may be required under subsection (1) (a) or used for establishing the amount that may be paid under subsection (1) (b) must not exceed 5% of the land being proposed for subdivision.*
- (5) *Subsection (1) does not apply to*
- (a) *a subdivision by which fewer than 3 additional lots would be created, except as provided in subsection (5.1),*
 - (b) *a subdivision by which the smallest lot being created is larger than 2 hectares, or*
 - (c) *a consolidation of existing parcels.*
- (5.1) *Subsection (1) does apply to a subdivision by which fewer than 3 additional lots would be created if the parcel proposed to be subdivided was itself created by subdivision within the past 5 years.*



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APPENDIX D

Ministry Circular No. 97:04 – Parkland Development

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October 2010
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Ministry of
Municipal Affairs Municipal Financial Services

CIRCULAR

Circular No. 97:04

Original Issued: February 25, 1997

To: All Municipal and Regional District Treasurers

Re: Parkland Development Cost Charges

Bill 55, introduced in the Spring 1995 Legislation Session, amended sections of the *Municipal Act* to authorize the collection of development cost charges (DCC) for improving parkland, in addition to providing parkland or reclaiming land as parkland.

The amendments were as follows:

1. Section "Development Cost Charges Generally" - subsection on parkland was repealed and the following substituted:
 - b) providing and improving parkland
2. Section "Use of Development Cost Charges" - subsection on parkland was repealed and the following substituted:
 - (6) to pay the capital costs of
 - (i) acquiring parkland or reclaiming land as parkland, or
 - (ii) providing fencing, landscaping, drainage and irrigation, trails, rest rooms, changing rooms and playground and playing field equipment on parkland.

The government, as illustrated by comments made in introducing the legislation, intended that the increase in DCC resulting from the addition of expenditures to improve parkland would not be significant. For this reason, the allowable parkland improvements were specifically listed, and deliberately excluded many elements that are usually present in most developed parks. Those elements which are not specifically listed must be funded from other sources of revenue. In furtherance of the direction from government, the Inspector of Municipalities, in reviewing submissions for purposes of approval, will apply a very narrow interpretation of the legislation. While most of the allowable expenditures are self-explanatory, the following comments are offered as an illustration of the position the Inspector will take in his review:

Circular No. 97:04

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- Landscaping includes the construction of playing fields (levelling ground, planting grass and other plant material) but does not include the construction of parking lots or access roads.
- Irrigation includes sprinkler systems.
- Playground and playing field equipment includes items normally classified as equipment such as swings and slides but does not include buildings or structures such as dugouts, bleachers, or field houses. The term also does not include the construction of tennis or basketball courts, baseball diamonds, tracks or the installation of lighting systems.

This policy remains in effect until such time as the issue can be dealt with in a more comprehensive fashion. As you are aware, work of the Development Finance Review Committee may lead to changes in this particular policy.

If you have any questions, please contact the financial analyst for your area.

(ORIGINAL SIGNED BY:)

Ken MacLeod
Inspector of Municipalities

City of Kelowna
REPORT TO COUNCIL
Parks Development
Funding Strategy



URBAN
systems

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Appendix A – Council Meeting Materials

EXECUTIVE SUMMARY

The key objectives of the report are as follows:

- Identify the future funding requirements for parks development;
- Identify potential sources of funding to meet the needs for parks development;
- Prioritize funding sources for parks development;
- Set out a strategy and action steps to pursue funding sources for parks development.

A series of three-workshops were held with Council in October and November 2017:

- Workshop 1: Engaged Council in shaping the key public policy questions to be addressed in the City's overall approach to parkland acquisition and development moving forward;
- Workshop 2: Engaged Council in providing direction and Building an Evaluation and Priority Setting Tool;
- Workshop 3: Council participated in aligning financing tools with specific public policy objectives and funding needs associated with parkland acquisition and development.

The direction that Council have generally indicated through the workshops for each tool is as follows:

- **Press forward:**
 - Parks development DCCs
 - Infrastructure levy - General taxation
 - Shift from acquisition to development
 - Commercial/Industrial parks acquisition and development DCCs
- **Potentially move forward**, but need more information to consider & explore:
 - Linear parks acquisition DCCs
 - Parks-specific parcel taxation
- **Not sure yet – Consider and explore further:**
 - Reduce parks DCC taxation assist factor
 - Tourism taxation – Increase Airport dividend
 - Developer partnerships
 - Community partnerships
- **No additional effort - Maintain status quo:**
 - Tourism taxation – Hotel tax
 - Community amenity contributions
 - Requirement for developers to build parks in new residential developments
 - Sponsorships
 - Commercial lease, or sale of surplus land
 - Parks revenues
 - Grants

The revenue required for future parks development is as follows:

- Additional funding required for future parks development is approximately \$198 million over 20 years translates to about \$9.9 million per year required for parks development
- The current level of parks development funding is approximately \$3 million per year, but about half of that amount is required for renewal, leaving \$1.5 million per year for new and growth-related parks development.
- The difference between the funding target and the existing level of funding is approximately \$8.4 million per year.

Following the prioritisation given by Council, and a more detailed review of revenue potential from each source, the study groups the funding combinations into four options, and considers how those options move towards attaining the \$8.4 million goal:

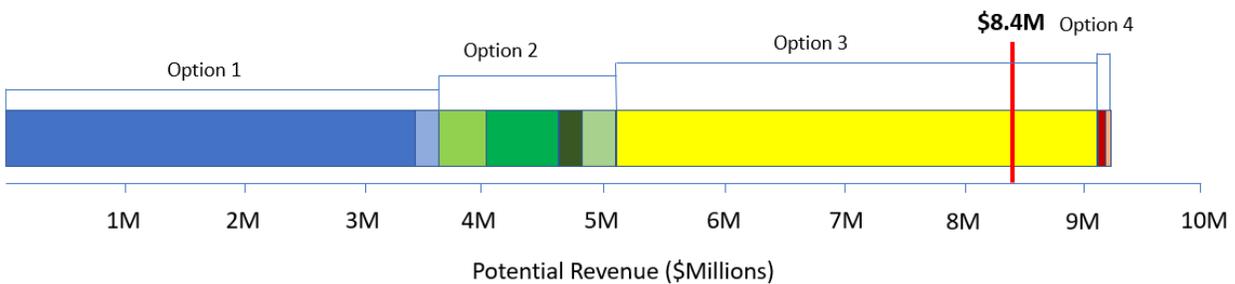
- **Option 1** includes Parks development DCCs and Commercial/Industrial parks acquisition and development DCCs.
- **Option 2.** Adds an Infrastructure levy on general taxation, (a portion of which would be attributed to parks development), a shift from parks acquisition to parks development, a reduction in the Parks DCC taxation assist and parks revenues.
- **Option 3** adds a Parks-specific parcel tax.
- **Option 4** adds the increase in the Airport dividend and Community partnerships.

The following table shows how these various options move the City towards the \$8.4 million goal.

Table 5.1
Options for annual revenue potential from various tools

Tool	Option 1	Option 2	Option 3	Option 4
Press forward				
Parks development DCC	\$3,422,000	\$3,422,000	\$3,422,000	\$3,422,000
Infrastructure Levy on General taxation (2% tax for Infrastructure)		\$426,000	\$426,000	\$426,000
Shift from acquisition to development		\$644,000	\$644,000	\$644,000
Commercial/Industrial parks development DCC	\$236,000	\$236,000	\$236,000	\$236,000
Potentially move forward				
Linear parks acquisition DCCs (linked to 'Shift from acquisition to development' above)		Included	Included	Included
Parcel taxation (for 5 years)			\$4,000,000	\$4,000,000
Consider and explore further				
Reduce parks acquisition and development DCC taxation assist from 8% to 1% (plus 3.3%)		\$284,000	\$284,000	\$284,000
Increase in Airport dividend				\$51,000
Community partnerships				\$25,000
Parks revenues		\$163,000	\$163,000	\$163,000
Total	\$3,658,000	\$5,145,000	\$9,195,000	\$9,316,000

The graph below shows how each option relates to attaining the goal of generating an additional \$8.4 million.



The recommended option at this time is **Option 2**, which generates \$5.1 million. Although it does not reach the target of \$8.4 million, it draws upon all of the options where Council would like to press forwards. It also includes a reduction in the DCC taxation assist, which affords Council greater flexibility in the capital planning process. It also includes parks revenues to increase the diversity of the financial load. The potential future addition of Park-specific parcel taxation in Option 3 would attain the full target, and is still a possibility, however Council would need to consider how this tool would fit along with other City priorities and initiatives.

The report goes on to set out the details for each potential tool in the strategy for generating additional funds for parks development.

1.0 INTRODUCTION

This report sets out tools and strategies on how to pay for parks in the City of Kelowna. While it deals with a wide range of issues related to identifying revenues to pay for parks, the primary focus is on revenues to pay for the development of parks. The City generally has effective sources of revenue or techniques to secure land for parks, but it requires additional options to provide revenues for parks development. The focus of the report is also on capital items in terms of parks development rather than operations and maintenance of parks, which is outside the scope of this analysis. The key objectives of the report, then, are as follows:

- Identify the future funding requirements for parks development;
- Identify potential sources of funding to meet the needs for parks development;
- Prioritize funding sources for parks development;
- Set out a strategy and action steps to pursue funding sources for parks development.

In order to meet those key objectives, the report is organized into the following sections:

Background – this section describes the initial background to this project.

Council engagement process – this section describes the meetings that were held with Council to discuss issues and identify approaches.

Funding requirements and revenue potential – this section sets out the funding requirements and revenue potential generated from optional blends of approaches.

Overview of tools and strategy – this section set out a brief overview of the tools and the strategies used to generate revenues for parks.

Press forward – this section provides details on the tools where the City will press forward in pursuing. For each tool, there is a section that provides a description of the tool, identifies the revenue potential and parameters that influence the revenue, describes Council direction and discussion to date, identifies next steps, and sets out a draft Council resolution.

Potentially move forward – this section provides details on the tools where the City will potentially move forward but requires somewhat more information in order to consider and explore the tool further. For each tool, there is a section that provides a description of the tool, identifies the revenue potential and parameters that influence the revenue, describes Council direction and discussion to date, identifies next steps, and sets out a draft Council resolution.

Not sure yet – Consider and explore further - this section provides details on the tools where the City is not sure yet and requires more work to consider the tool further. These are items where immediate action is not anticipated, but work is required to explore the tool over the longer term. For each tool, there is a section that provides a description of the tool, identifies the revenue potential and parameters that influence the revenue, describes Council direction and discussion to date, identifies next steps, and sets out a draft Council resolution.

No additional effort - Maintain status quo - this section provides details on new tools Council did not want to pursue, and existing tools which should continue with the existing status quo, but with no increase in effort. For each tool the section will describe the tool and discuss why no additional effort is required.

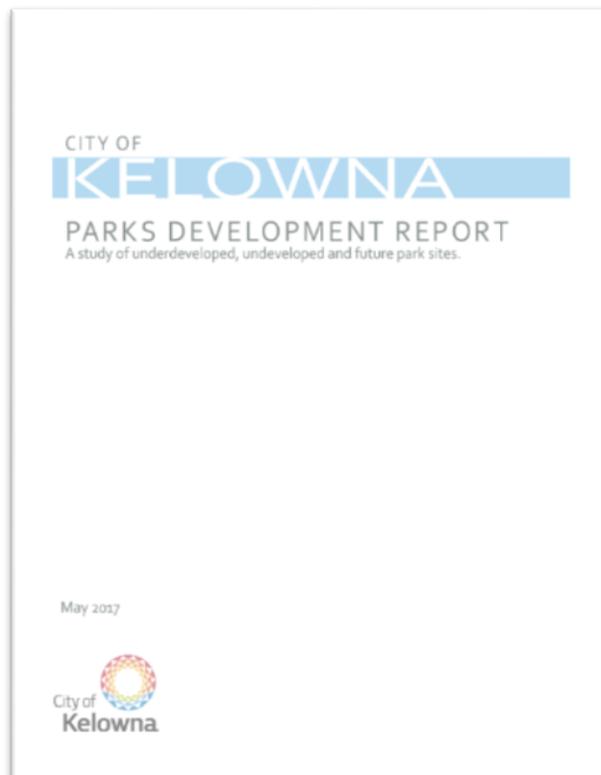
2.0 BACKGROUND

The City of Kelowna is committed to providing parkland for public enjoyment and well-being, creating sports amenities to promote active living, preserving natural open spaces for wild flora and fauna, and developing linear greenways that create strong pedestrian and cycling connections throughout the City.

In May 2017, City Council received the Parks Development Report – A study of underdeveloped, undeveloped and future park sites.

The report highlighted the importance of parks in Kelowna. It noted that the ‘2016 Visitor intercept survey’ conducted by Tourism Kelowna found that our parks and natural amenities are the primary draw for many of the tourists that visit Kelowna. The survey indicated that 82% said that well maintained and high quality parks and beaches are important in their decision to choose Kelowna, and the activities they plan to participate in are, for the most part, integrated within our parks and trails. The Ipsos 2017 Citizen survey found that ‘Good recreation facilities and opportunities’ was identified as the top characteristic that makes a city a good place to live. Parks were identified as important or somewhat important by 98% of residents.

This report quantified the extent of under-developed, undeveloped and future parks across all park types against current and future municipal targets. The report also identified several potential funding sources in order to address this shortfall. The report notes that while the City acquires parkland in accordance with the Parkland Acquisition Guidelines, it has become apparent the rate of park development has not kept pace with the rate of parkland acquisition. This raises some fundamental questions of public policy, which naturally lead into discussions about potential strategies and appropriate financing tools to ensure the City’s parkland acquisition and development keep pace with community desires and the City’s ability to fund these initiatives. Council engaged in a series of three workshops to discuss these items in more detail and to provide direction that could be used in moving forward.



3.0 COUNCIL ENGAGEMENT PROCESS

The City retained Urban Systems to assist in a three-workshop series with Council (in October and November 2017):

- **2 October 2017 - Workshop 1:** Engaged Council in shaping the key public policy questions to be addressed in the City's overall approach to parkland acquisition and development moving forward;
- **16 October 2017 – Workshop 2:** Engaged Council in providing direction and Building an Evaluation and Priority Setting Tool;
- **6 November 2017 - Workshop 3:** Council participated in aligning financing tools with specific public policy objectives and funding needs associated with parkland acquisition and development.

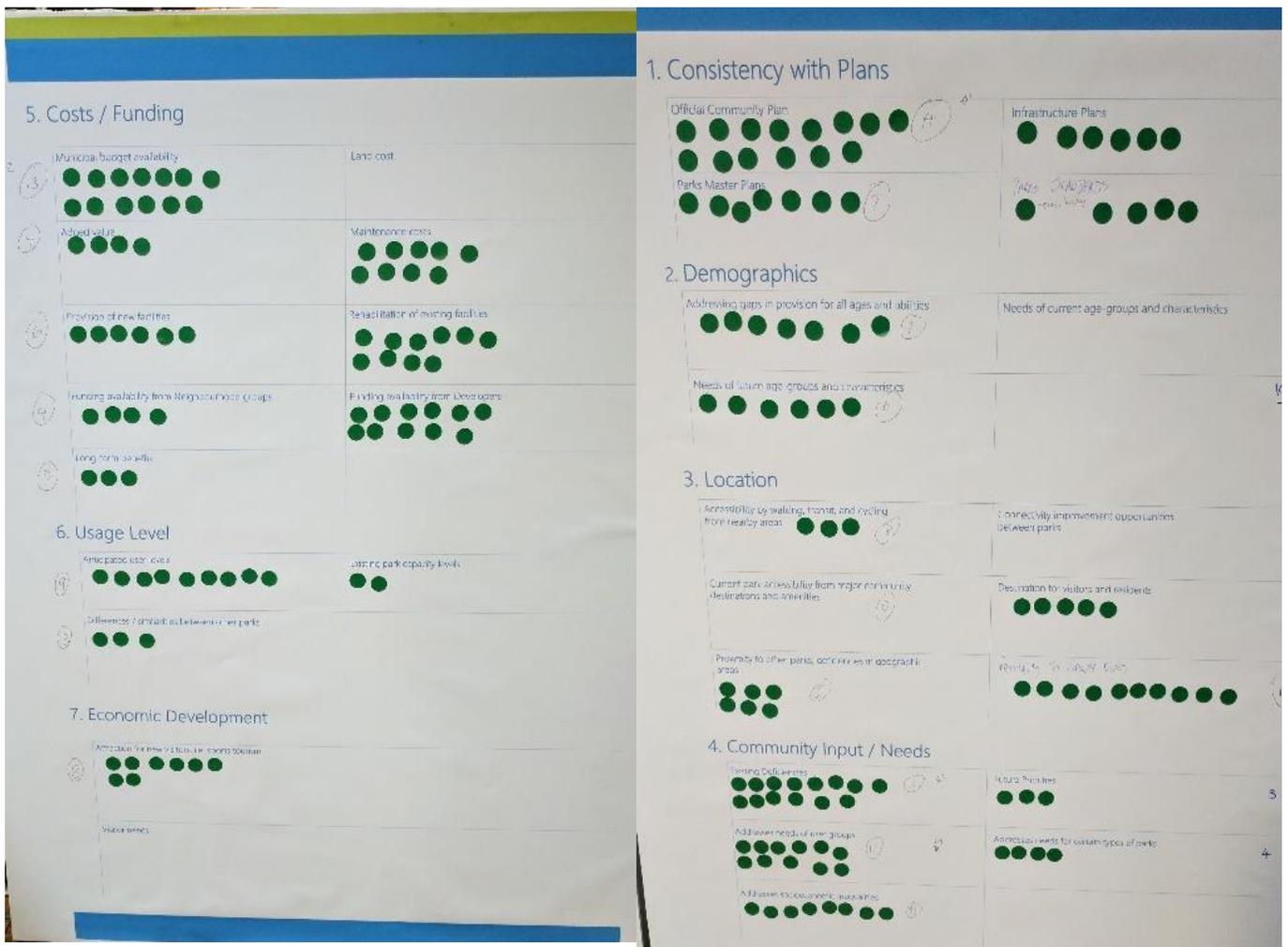
During the first workshop on October 2, 2017, Council members provided direction on broader policy issues related to parks such as the proportion of resources that go towards parks acquisition versus parks development, and considerations on the level of parks acquisition and development provided in the City. The presentation used to facilitate discussion with Council is set out in Appendix A.

During the second workshop on October 16, 2017, Council refined the direction in the first workshop and built an evaluation and priority setting matrix for parks expenditures, setting the stage for the third workshop.

More specifically, the following items were addressed during Workshop 2 on October 16th:

- Recapped direction provided during Workshop 1;
- Provided Council with some additional parks data requested during Workshop 1;
- Engaged Council in an exercise to build a tool for setting parks priorities, including:
 - Confirming the specific criteria that should be used in setting priorities; and
 - Placing a weighting, or level of importance, to each of the criteria.

**Figure 3.1
Parks Priorities Activity Results**



**Table 3.1
Parks Priorities Activity Results**

Priorities	Number of Dots
1. Consistency with Plans	
Official Community Plan	14
Infrastructure Plans	6
Parks Master Plans	7
Parks Standards	5
2. Demographics	
Addressing gaps in provision for all ages and abilities	7
Needs of future age-groups and characteristics	6
Needs of current age-groups and characteristics	0
3. Location	
Accessibility for walking, transit, and cycling from nearby areas	3
Connectivity improvement opportunities between parks	0
Current park accessibility from major community destinations and amenities	0
Destination for visitors and residents	5
Proximity to other parks, deficiencies in geographic areas	6
Proximity to growth nodes	10
4. Community Input / Needs	
Existing deficiencies	14
Future priorities	3
Addresses needs of user groups	11
Addresses needs for certain types of parks	4
Addresses socioeconomic inequalities	8
5. Costs / Funding	
Municipal budget availability	13
Land cost	0
Added value	4
Maintenance costs	9
Provision of new facilities	6
Rehabilitation of existing facilities	10
Funding availability from neighbourhood groups	4
Funding availability from developers	11
Long-term benefits	3
6. Usage Level	
Anticipated user levels	9
Existing park capacity levels	2
Differences / similarities between other parks	3
7. Economic Development	
Attraction for new visitors (i.e. sports tourism)	8

The presentation used during Workshop 2 is set out in Appendix A.

The following items were addressed during Workshop 3 on November 6th:

- Summarized the direction from the previous two workshops;
- Reviewed specific funding options, identified based partly on work in the previous workshops;
- Discussed criteria for evaluating funding tools, based partly on the earlier workshops;
- Reviewed and evaluated each of the funding tools with the goal of determining the approach for each tool including:
 - Proceed - Tools that line up well with goals and direction. While more work is likely required, Council would like to proceed with further steps toward implementation;
 - Consider/Explore - Tools where it is not clear at this point and more work is required to explore;
 - No additional effort - Tools where no extra effort is put into exploring or building more revenue from these methods, but current practices will be maintained.

The results of Workshop 3 provided direction for the next steps in revising the City’s approach towards parks funding, and in developing a clear parks funding and financing strategy.

Figure 3.2
Results of Tool Approaches for Parks Funding Activity

	Yes - Proceed	Not Sure - Consider/ Explore	No - No Additional Effort
DCCs – Parks Improvements	✓		
DCCs - Linear Parks Acquisition		X	
DCCs – Commercial Development	✓		
Reduce DCC Assist		X	
Parcel Taxation		X	
General Taxation	✓		
Shift Parks Acquisition Funds to Parks Development	(✓)		XXXX
Tourism Taxation - Airport		EXPLORE BONDING DIVIDEND TO CITY	
Tourism Taxation - Hotels			✓
Community Amenity Contributions			✓
Sponsorship			✓
Developers build parks			✓
Commercial lease and sale of surplus land			✓
Developer Partnerships		X	
Community Group Partnerships		X	
Parks revenues			✓

The presentation used to facilitate discussion during Workshop 3 is set out in Appendix A.

4.0 FUNDING REQUIREMENTS AND REVENUE POTENTIAL

4.1 Funding requirements

A number of parks in City are partially developed and funded, including:



Neighbourhood Parks



Community Parks



Recreation Parks



City-wide Parks



Linear Parks & Natural Areas

Source: City of Kelowna

The specific parks and the value of capital projects required to complete the parks are set out in Table 4.1. These costs are based on typical components required in the parks on a cost per hectare basis and do not include costs for major buildings. These cost also no not include annual operations and maintenance costs, as that is outside the scope of this exercise. These costs area based on general estimates and would need to be refined based on updated Capital Plans if more detailed analysis proceeds.

Table 4.1
Partially developed parks -
Additional funding either identified as P2 in the 10 year Capital plan or unfunded.

Park Classification	Park Area (Ha)	Percent developed/funded	Area un/under developed (Ha)	Typical cost per hectare	Total Funding Required
Neighbourhood					
Barlee Park	0.37	20%	0.296	\$1,250,000	\$370,000
Ballou Park	1.44	50%	0.72	\$1,250,000	\$900,000
Community					
Quilchena Park (washrooms)	2.5	80%	0.5	\$750,000	\$375,000
Blair Pond Park (washrooms)	2.5	80%	0.5	\$750,000	\$375,000
Ponds Community Park (sports field)	7.6	90%	0.76	\$2,500,000	\$1,900,000
Recreation					
Glenmore Recreation	11.48	35%	7.462	\$1,350,000	\$10,073,700
Mission Recreation	46.55	90%	4.655	\$1,350,000	\$6,284,250
Parkinson Recreation	19.49	40%	11.694	\$1,350,000	\$15,786,900
Rutland Recreation	14.56	40%	8.736	\$1,350,000	\$11,793,600
City-wide					
Kerry Park	0.7	30%	0.49	\$6,000,000	\$2,940,000
City Park	13.2	70%	3.96	\$2,000,000	\$7,920,000
Sutherland Bay	2	50%	1	\$4,000,000	\$4,000,000
Bennett Plaza	0.06	0%	0.06	-	\$1,800,000
Waterfront Park (renewal)	8.5	75%	2.125	\$1,500,000	\$3,187,500
Rotary Beach Park	1.4	75%	0.35	\$3,500,000	\$1,225,000
Bluebird Beach Park	1.1	0%	1.1	\$2,000,000	\$2,200,000
Total					\$71,130,950

The City also has an amount of future parklands that have yet to be acquired but will need to be developed in each of the following categories:

- Neighborhood parks;
- Community parks;
- Recreation parks; and
- City wide parks.

The value of funding required does not include the parkland acquisition, since this is already addressed through parkland DCCs and other means. As noted earlier, these cost also no not include annual operations and maintenance costs. The value is only for capital components required in the parks based on typical costs per hectare, not including major buildings, required to develop these future parks, as set out in Table 4.2 below.

Table 4.2
Undeveloped and future parks

Park Class	Park Area (Ha)	Percent developed/ funded	Area undeveloped (Ha)	Typical cost per hectare	Total Funding Required
Neighbourhood					
Overall	15	0%	15	\$1,250,000	\$18,750,000
Community					
Overall	27	0%	25	\$2,500,000	\$62,500,000
Recreation					
Tutt Ranch Recreation	16	0%	16	\$900,000	\$14,400,000
City-wide					
Overall	12	0%	12	\$2,000,000	\$24,000,000
Total					\$119,650,000

Another category of parks requiring development are linear parks. The details of linear park lands still to be acquired and developed are set out in Table 4.3 below. Once again these are general estimates that would need to be refined if more detailed analysis proceeds.

Table 4.3
Linear Parks to be acquired

Priority Linear Park	Park length (km)	% land acquired	Length acquired (km)	% land to be acquired	Length to be acquired (km)
Waterfront walkway	1	73%	0.73	27%	0.27
Mill Creek Linear Park	19	39%	7.41	61%	11.59
Rail Trail	20	95%	19	5%	1.0
Bellevue Creek	13	41%	5.33	59%	7.67
Gopher Creek	8.5	14%	1.19	86%	7.31
Mission Creek	16.5	90%	14.85	10%	1.65
Total	78		48.51		29.49

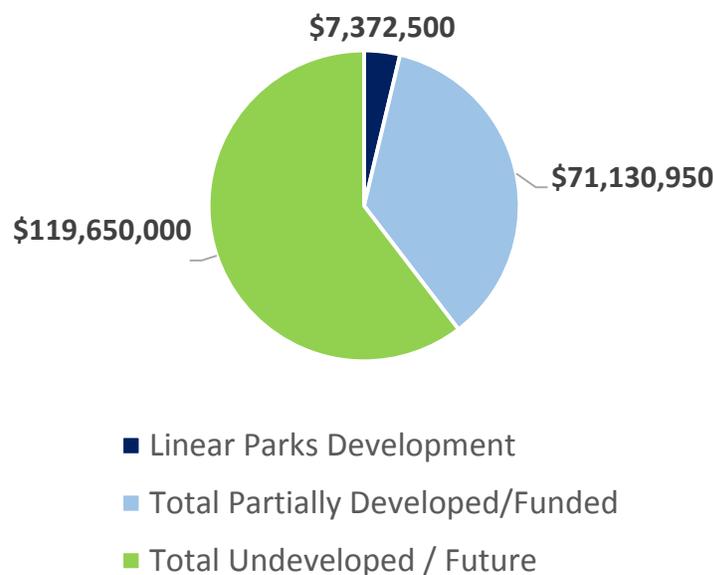
Linear Parks development costs can range from \$150,000 to \$350,000 per km. Using an average cost of \$250,000 per km for the 29.49 km results in development costs of about \$7.4 million.

The required funding over the next 20 years is summarized in the Table 4.4 and Figure 4.1 below.

Table 4.4
City of Kelowna – Park development

Category	Amount
Total partially developed/funded	\$71,130,950
Total undeveloped/future	\$119,650,000
Linear parks development	\$7,372,500
Total Unfunded	\$198,153,450

Figure 4.1 City of Kelowna – Future Park Development



The approximately \$198 million over 20 years translates to about \$9.9 million per year required for parks development.

4.2 Past funding levels

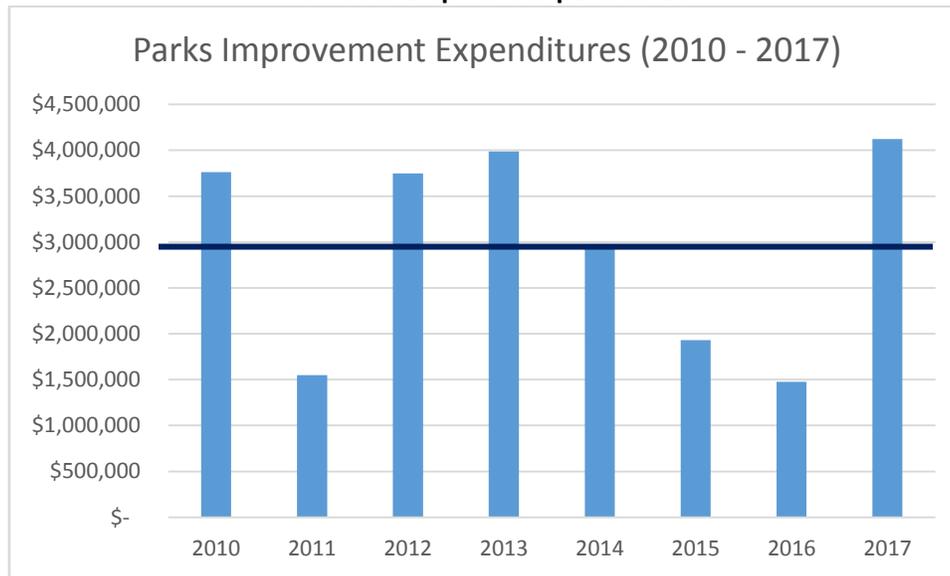
The level of past expenditures for parks development varies from year to year but can provide a general indication of the level of funding commitments currently made by the City through the budgeting process.

For this analysis, the figures shown from 2010 to 2017 only include parks development costs, and do not include parks acquisition or parks operations and maintenance. When looking at the figures from 2010 to 2017, the analysis shows that the amounts for 2010 are quite high, but that is because of a somewhat rare grant opportunity from stimulus funding in 2009 and 2010. In order to effectively compare the amount of funds the City regularly expends on parks development from funds other than unusual grants, we compiled the total expenditures without grants as set out in Table 4.5 below.

**Table 4.5
Parks development expenditures**

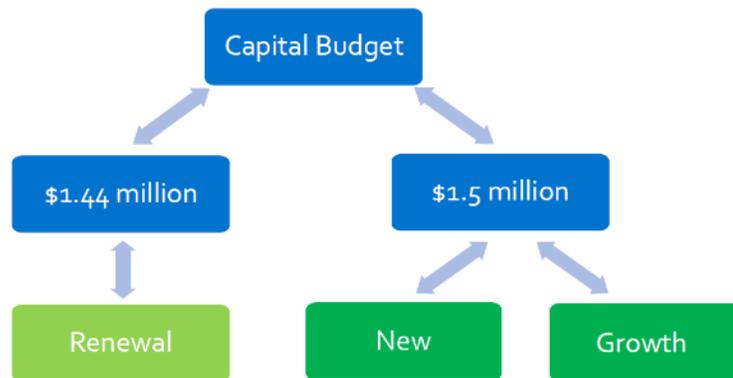
Year	Expenditures (without Grants)
2010	\$ 3,761,189
2011	\$ 1,550,268
2012	\$ 3,750,007
2013	\$ 3,987,178
2014	\$ 2,974,195
2015	\$ 1,931,887
2016	\$ 1,478,380
2017	\$ 4,124,373
Total 2010-2017	\$ 23,557,476
Average per year	\$ 2,944,684

**Figure 4.2
Parks development expenditures**



As an average over 8 years from 2010 to 2017, the City spends \$2.94 million per year, which we can round up to about \$3 million per year. There is quite a bit of variability in the expenditures ranging from a low of about \$1.48 million in 2016, to a high of about \$4.12 million in 2017 on parks development.

Figure 4.3. Parks development expenditures Breakdown



Another factor to consider is that approximately half of the \$3.0 million annual expenditures on parks development over the past years are on renewal of existing parks components and facilities and rather than the provision of new components or components to address growth. For example, the money is spent to replace an existing aging playground or fence rather than a new playground in a new undeveloped park. Expenditures on renewal will be a continuing requirement over the years. While it is recognized the renewal deficit is greater than this, renewal is not part of this study. Therefore, it is assumed this level of commitment is carried forward for renewal, leaving the remaining \$1.5 million of taxation for parks development.

If we consider the average of about \$1.5 million per year in expenditures in the past is available for new and growth related parks development and compare it to the \$9.9 million per year required for parks development over the next 20 years, then we require an additional \$8.4 million per year in revenues for parks development. As the City adds new parks development, it will require for more funds to replace and renew these facilities, but such an analysis is beyond the scope of this assignment. The full effect of the need to generate more funds to replace additional aging parks infrastructure will not be felt until the new parks infrastructure starts to get to the age where it needs to be replaced. From this point in the analysis, the report assumes that an additional \$8.4 million is required per year to fund required Parks development. As noted earlier in the report, operations and maintenance costs are outside the scope of this study, but an operations and maintenance budget will be required to address additional parks development, and will need to be considered by Council along with the capital costs.

Figure 4.4. Difference between existing and required expenditures on parks development



5.0 OVERVIEW OF TOOLS AND STRATEGY

5.1 Introduction

Based on the analysis of the various tools and discussions with Council, this report sets out the approach moving forward for each tool. This section provides a brief summary list of the direction that Council provided for each tool, with further details set out in sections that follow. The tools are grouped into these categories:

- **Press forward** – ('Yes – Proceed') - Tools that line up well with goals and direction. While more work is likely required, Council members indicated they would like to proceed with further steps toward implementation;
- **Potentially move forward**, but need more information to consider & explore – (Leaning to 'Yes proceed', but also 'Not sure – consider explore') – these tools line up well with goals and direction, but Council members were not quite sure about proceeding, and some further work is required before deciding to proceed towards implementation;
- **Consider and explore further** ('Not Sure – Consider & explore') - Tools where it is not clear at this point and more work is required to explore; and
- **No additional effort - Maintain status quo** ('No further effort') - New tools Council did not want to pursue, and existing tools which should continue with the existing status quo, but with no increase in effort necessary.

The direction that Council members have generally indicated through the workshops that they would like to take for each tool is as follows:

- **Press forward:**
 - Parks development DCCs
 - Infrastructure levy - General taxation
 - Shift from acquisition to development
 - Commercial/Industrial parks acquisition and development DCCs
- **Potentially move forward**, but need more information to consider & explore:
 - Linear parks acquisition DCCs
 - Parks-specific parcel taxation
- **Consider and explore further:**
 - Reduce parks DCC taxation assist factor
 - Tourism taxation – Increase Airport dividend
 - Developer partnerships
 - Community partnerships

- **No additional effort - Maintain status quo:**
 - Tourism taxation – Hotel tax
 - Community amenity contributions
 - Requirement for developers to build parks in new residential developments
 - Sponsorships
 - Commercial leases
 - Sale of surplus land
 - Parks revenues
 - Grants

The revenue potential for Parks revenues has been identified as greater than previously reported to Council. It has therefore been elevated to 'Not sure yet' to allow Council an opportunity to consider the revised revenue.

The revenue potential from each tool is set out in the next section. After this next section the report provides details for each tool including a description of the tool, the revenue potential and parameters that influence the revenue, Council direction and discussion to date, and next steps.

5.2 Revenue potential from various tools

The following sections set out some additional details for each tool, the revenue generation potential, and suggested strategy for moving forward with each tool. This section provides a brief overview of the revenue potential from each tool where the City would like to engage in some additional effort, and compares it with the revenue needs identified in section 4. To facilitate thinking about various combinations of approaches, this report sets out several options. Each subsequent option builds on the previous option:

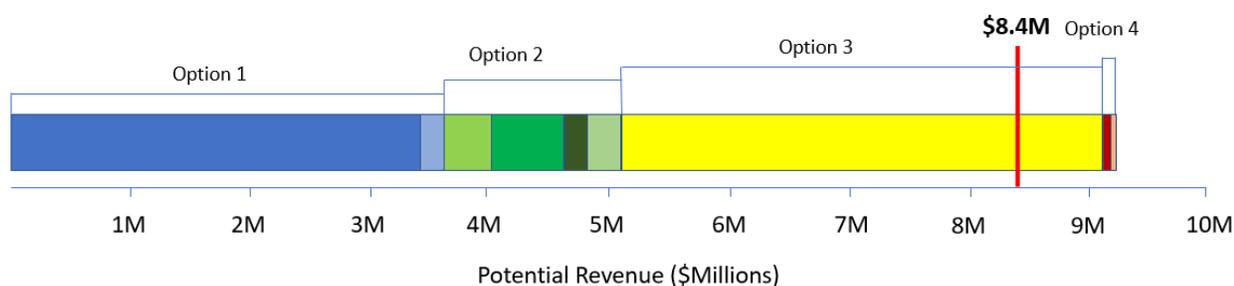
- **Option 1** includes Parks development DCCs and Commercial/Industrial parks acquisition and development DCCs. Council indicated we should proceed with work on these two tools.
- **Option 2.** Adds an Infrastructure levy on general taxation, a shift from parks acquisition to parks development in tandem with a Linear parks acquisition DCC, a reduction in the Parks DCC taxation assist and Parks revenues. Council indicated we should proceed with the first two tools. Option 2 includes a reduction in the DCC taxation assist, which avoids a disproportionate amount of taxation in the capital plan being tied to DCC funded projects only, and affords Council greater flexibility through the budget deliberations. It also includes parks revenues to increase the diversity of the financial load and link users to the development costs.
- **Option 3** adds a Parks-specific parcel taxation which falls into the category of Potentially move forward. The Parcel tax is only proposed for a five year duration.
- **Option 4** adds additional tools where Council was 'Not sure but wanted to consider and explore', and these include the increase in Airport dividend and Community partnerships.

As noted in section 4, about \$3 million is spent per year on Parks development and renewal and about \$1.5 million of that is spent on new or growth-related development. An additional \$8.4 million per year is the target for full parks development.

The following Table 5.1 shows how these various Options move the City towards that goal.

Table 5.1
Options for annual revenue potential from various tools

Tool	Option 1	Option 2	Option 3	Option 4
Press forward				
Parks development DCC	\$3,422,000	\$3,422,000	\$3,422,000	\$3,422,000
Infrastructure Levy on General taxation (2% tax for Infrastructure)		\$426,000	\$426,000	\$426,000
Shift from acquisition to development		\$644,000	\$644,000	\$644,000
Commercial/Industrial parks development DCC	\$236,000	\$236,000	\$236,000	\$236,000
Potentially move forward				
Linear parks acquisition DCCs (linked to 'Shift from acquisition to development' above)		Included	Included	Included
Parcel taxation (for 5 years)			\$4,000,000	\$4,000,000
Consider and explore further				
Reduce parks acquisition and development DCC taxation assist from 8% to 1% (plus 3.3%)		\$284,000	\$284,000	\$284,000
Increase in Airport dividend				\$51,000
Community partnerships				\$25,000
Parks revenues		\$163,000	\$163,000	\$163,000
Total	\$3,658,000	\$5,145,000	\$9,195,000	\$9,316,000



As the table illustrates, Options 1 and 2 do not attain the goal of identifying an additional \$8.4 million per year for parks development; although both options make significant progress towards that goal. Option 3 generates almost \$9.2 million and slightly exceeds the goal of generating an additional \$8.4 million. However the assumption is that the addition \$4 million per year through a parcel tax would only continue for a period of 5 years. Consequently, the goal is attained for a 5 year period, not the entire 20 year period. Option 4 also attains the goal, but as with option 3, only for the 5 year period while a parcel tax is assumed to be in place.

5.3 Limitations on funding sources

There are limitations on the potential sources for some of the required funds in the future. Specifically, only some of the projects would be eligible for consideration for recovery through a Parks development DCC. The specific items that are eligible are described in more detail in the section on Parks development DCCs below.

Of the \$198 million required over the next 20 years, the analysis estimates that about \$67 million is comprised of projects eligible for recovery through Development Cost Charges for parkland development in Neighbourhood, Community, Recreation, and City-wide parks. An additional \$7.3 million identified for development of linear parks are also likely eligible for cost recovery through DCCs. The remaining \$124 million would need to be generated through other means. This doesn't necessarily mean that \$67 million and \$7.3 million will come from development cost charges, but we know that no more than that amount could come from Parks Development DCCs.

Another limitation is the potential to shift funding from parkland acquisition to parkland development. Some sources such as funds in the Parkland Acquisition DCC reserve fund cannot be drawn out and spent on parks development. Similarly, funds in the Land Sales/Parkland Statutory reserve are generally limited to land acquisition rather than parkland development. The limitations on the use or creation of various funding sources have been considered in developing estimates of the potential revenues from each source.

6.0 PRESS FORWARD

6.1 Introduction

This section identifies tools that line up with the goals and direction – these fit well and Council will proceed with the direction. For each tool the subsection will do the following:

- Describe the tool
- Identify revenue potential and parameters that influence the revenue
- Describe Council direction and discussion to date
- Identify next steps – background work, consultation, engagement, timeline
- Draft staff recommendation in the form of Council resolution

6.2 Parks Development DCCs

6.2.1 Tool description

The City currently only charges a DCC for Parkland acquisition. It does not charge a DCC for park development. Based on research conducted as part of the Park Development Report in May 2017, comparative cities including Abbotsford, Kamloops, Langley, Chilliwack and Richmond all include parks development in their DCCs. Surrey was the only comparative city that does not include parks development costs in their DCCs. The Surrey Parks Recreation and Culture Strategic Plan also recommends the use of a Parks Development DCC. In order to be consistent with most comparative communities and take advantage of a readily available cost recovery tool that many communities use, Kelowna can consider charging a Parks development DCC.

It is important to understand what a Parks development DCC can and cannot include in the capital project list. Parks development DCCs can pay for:

- Fencing
- Landscaping
- Drainage
- Irrigation
- Trails
- Restrooms
- Changing rooms
- Playground equipment



- Playing field equipment



Source: City of Kelowna

Landscaping includes leveling, grass and plants, but does not include parking lots or access roads.

Playground and playing field equipment includes playground structures such as swings and slides, but does not include:

- Dugouts and bleachers
- Field houses
- Tennis or basketball courts
- Baseball diamonds
- Artificial turf fields
- Picnic shelters
- Tracks
- Lighting systems

For each park type, the City identified the components that are eligible for recovery through DCCs and translated that into a percentage of the park development required. For example, about 85% of the development of a neighbourhood park is eligible for recovery through DCCs and only 28% of the components of recreation parks are eligible. The City also applied assist factors to identify the total amount of each park type that can be recovered through DCCs. These figures are set out in Table 6.1. In addition to the approximately \$66.6 million eligible as set out in Table 6.1, an additional \$6.5 million could be recovered for development of linear parks for a total of about \$73.1 million. This assumes that the need for more development of Linear parks is due to growth. Other figures would result if we assume that some portion of the costs to develop more Linear parks are required by existing residents.

If a Parks Development DCC is established, developers would receive a DCC credit if they construct Parks development works that are set out in the DCC program. This is potentially attractive to developers as a mechanism that would allow them to build the parks improvements in their subdivision without having to wait for the City to build it.



Source: Inteface.com

One consequence of advancing time and building the park before the City is ready is that the developer loses credit for the 8% taxation assist amount on the project. In considering a Parks development DCC, it is useful to consider how DCC credits may work for Parks development by developers. Developers would get credit for the lesser of:

- The City cost estimate for the work in the DCC report;
- The actual cost of the work; or
- The Parks development DCC owed by the developer.

6.2.2 Revenue potential

One method to estimate revenue potential from a Parks development DCC is to identify a percentage increase in the existing Parks acquisition DCC. The Parks acquisition DCC revenues over the past 10 years have been a total of \$37.3 million. While this fluctuates significantly on a yearly basis from about \$800,000 to \$8,500,000, the average is about \$3,730,000 per year. The current Parks acquisition DCC is \$5795 per residential unit. If the City increased Parks DCCs by 20%, this increase would generate another \$1159, amounting to about \$746,000 per year in an average year. In a year like the last two with over \$7 million per year, this would result in an additional \$1.4 million per year.

Another approach is to choose a specific dollar amount of increase per equivalent unit. In terms of a dollar amount of increase per unit, an additional charge of \$2000 per unit is about a 35% increase. Such an increase would generate \$1.3 million in an average year and \$2.45 million in the last couple of years. If you wanted to generate another \$2000 per unit that would be \$2000 x 19950 units over 20 years = \$39,900,000, or about \$2,000,000 per year.

Finally, the City could calculate the DCC required to generate enough to pay for a proportion of projects identified as eligible for cost recovery through DCCs. This total amount would be the \$66,601,000 noted in Table 6.1 below, plus \$6,562,000 for linear parks development (about 89% of the \$7,372,500 noted above, which would be approximately the amount remaining after applying the municipal assist factor), resulting in DCC eligible costs of approximately \$73,163,000 over 20 years. The 20-year servicing and financing strategy DCC report projects 19,950 residential units over this time period. While the new OCP will generate new growth figures that extend beyond 2030, the figures in the servicing and financing strategy over a 20-year period are useful for initial calculations. This amounts to: $\$73,163,000 / 19,950$ units = \$3,667 per unit. If we include commercial and Industrial equivalent units as paying the Parks development DCC, the number of equivalent units goes up by 1242 for commercial and 136 for Industrial for a total of 21,328 units if we use the same figures from the 20 year Servicing Plan. This amounts to: $\$73,163,000 / 21,328$ = \$3,430 per unit. Over a 20-year period, that amounts to about \$3.66 million per year, with about \$3.42 million from Residential DCCs and about \$0.21 million from Commercial DCCs and \$0.023 million from Industrial DCCs.



**Table 6.1
Eligible Parks development DCC items**

Park Class	Park Area (Ha)	% developed/funded	Area un/under developed (Ha)	Typical cost per hectare	Total Funding Required	% eligible for development DCC	Benefit Allocation	Funded by development DCC (less 11% tax assist)	Total % funded by development DCC	Total \$ funded by development DCC	Total unfunded remaining
Neighbourhood - Partially Dev. / Funded											
Barlee Park	0.37	20%	0.296	\$1,250,000	\$370,000	85%	27%	89%	20%	\$75,574	\$294,426
Ballou Park	1.44	50%	0.72	\$1,250,000	\$900,000	85%	27%	89%	20%	\$183,829	\$716,171
Neighbourhood - Undev. / Future											
Overall	15	0%	15	\$1,250,000	\$18,750,000	85%	100%	89%	76%	\$14,184,375	\$4,565,625
Community - Partially Dev. / Funded											
Quilchena Park (washrooms)	2.5	80%	0.5	\$750,000	\$375,000	100%	27%	89%	24%	\$90,112	\$284,888
Blair Pond Park (washrooms)	2.5	80%	0.5	\$750,000	\$375,000	100%	27%	89%	24%	\$90,112	\$284,888
Ponds Community Park (sports field)	7.6	90%	0.76	\$2,500,000	\$1,900,000	100%	27%	89%	24%	\$456,570	\$1,443,430
Community - Undev. / Future											
Overall	27	0%	25	\$2,500,000	\$62,500,000	65%	100%	89%	58%	\$36,156,250	\$26,343,750
Recreation - Partially Dev. / Funded											
Glenmore Recreation	11.48	35%	7.462	\$1,350,000	\$10,073,700	28%	27%	89%	7%	\$677,799	\$9,395,901
Mission Recreation	46.55	90%	4.655	\$1,350,000	\$6,284,250	28%	27%	89%	7%	\$422,829	\$5,861,421
Parkinson Recreation	19.49	40%	11.694	\$1,350,000	\$15,786,900	28%	27%	89%	7%	\$1,062,206	\$14,724,694
Rutland Recreation	14.56	40%	8.736	\$1,350,000	\$11,793,600	28%	27%	89%	7%	\$793,520	\$11,000,079
Recreation - Undev. / Future											
Tutt Ranch Recreation	16	0%	16	\$900,000	\$14,400,000	28%	100%	89%	25%	\$3,588,480	\$10,811,520
City-wide - Partially Dev. / Funded											
Kerry Park	0.7	30%	0.49	\$6,000,000	\$2,940,000	36%	27%	89%	9%	\$254,333	\$2,685,666
City Park	13.2	70%	3.96	\$2,000,000	\$7,920,000	36%	27%	89%	9%	\$685,143	\$7,234,857
Sutherland Bay	2	50%	1	\$4,000,000	\$4,000,000	36%	0%	89%	0%	\$0.00	\$4,000,000
Bennett Plaza	0.06	0%	0.06	\$30,000,000	\$1,800,000	36%	0%	89%	0%	\$0.00	\$1,800,000
Waterfront Park (renewal)	8.5	75%	2.125	\$1,500,000	\$3,187,500	36%	0%	89%	0%	\$0.00	\$3,187,500
Rotary Beach Park	1.4	75%	0.35	\$3,500,000	\$1,225,000	36%	0%	89%	0%	\$0.00	\$1,225,000
Bluebird Beach Park	1.1	0%	1.1	\$2,000,000	\$2,200,000	36%	27%	89%	9%	\$190,318	\$2,009,682
City-wide - Undev. / Future											
Overall	12	0%	12	\$2,000,000	\$24,000,000	36%	100%	89%	32%	\$7,689,600.00	\$16,310,400
Total					\$190,780,950					\$66,601,053	\$124,179,897

6.2.3 Council direction

Council provided direction to “Yes – proceed” with Parks development DCCs.

A number of factors or considerations discussed over the three workshops and these include:

- Ensuring that developers receive a DCC credit if they build parks DCC projects;
- Focussing on Neighbourhood and Community parks development, rather than Recreation and City-wide parks, since the type of development that is eligible fits better with Neighbourhood parks;
- Clearly identifying which parks development are included in the DCC program;
- Proceeding with establishing clear standards for parks development to ensure that both the City and developers have the same expectations for the level of development and the items eligible for DCC credits;
- Clarifying if the Parks development DCC will be in addition to the parks acquisition DCC or will the parks acquisition DCC decrease somewhat in order to create ‘room’ for the Parks development DCC; and
- Identifying how much tolerance exists for an overall upward movement in the combined Parks acquisition and development DCC, in return for the park development being undertaken in new growth areas.

6.2.4 Next steps

The next steps for proceeding with the implementation of Parks Development DCCs are as follows:

- Refine the potential rates and revenues:
 - Clarify Parks DCC Development project list – in terms of capital projects for specific parks and the eligible components within each park
 - Identify costs
 - Confirm population and development projections to be used for calculations
 - Calculate potential Parks development DCC rates
 - Calculate potential annual revenues based on the calculated rates.
- Identify if changes would occur to the Parks acquisition DCC. This will need to be done in concert with work on considering adding a Linear parks acquisition DCC.
- Clarify the proposed approach to parks DCC credits.
- Refine the existing standards for neighbourhood parks.
- Clarify the approach to partnerships for neighbourhood parks since this is inter-related with neighbourhood parks DCCs and DCC credits. Some developers like the current approach of parks partnerships and the City would need to be clear about how that may change in coordination with changes to the parks DCCs

- Consult with the public to obtain feedback on potential Parks development DCCs.
- Engage with UDI and other members of the development community to seek their thoughts on the concept and potential changes.
- Revise the approach based on input from the public, UDI and the development community.
- Engage with UDI and other members of the development community on the revised approach.
- Amend the DCC background report and the DCC bylaw to implement a Parks Development DCC.

6.2.5 Draft staff recommendation, in the form of a Council resolution

The following resolutions can be brought forth to Council for the provision of a Parks development DCC:

Council directs staff to prepare a draft Parks Development DCC, engage with the public and key stakeholders on the proposal, and report back to Council on how to proceed with implementing a Parks Development DCC.

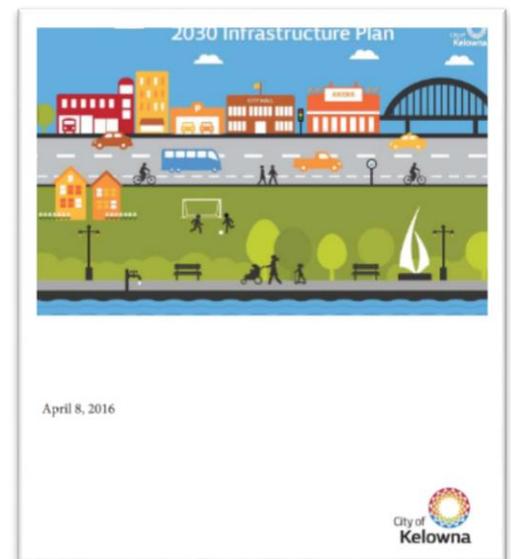
6.3 Infrastructure levy - General taxation

6.3.1 Tool description

An option is to apply an increase to general municipal property taxation, such as a 1% or 2% (or some other appropriate tax percentage) tax increase for Infrastructure: an Infrastructure levy. To use a portion of the increased tax revenue for parks development. This revenue is completely flexible, and could be used to pay for parks development that may not be eligible for inclusion in a Parks development DCC or other sources.

One related option discussed was to revisit the allocation of the total capital budget for all services – roads, water, sewer, buildings, parks etc. – to increase the proportion of the existing budget towards parks, which means somewhat less would be available for other services. This would not result in an increase in taxes, but rather a shift in how existing tax dollars are spent. While this possibility was discussed, Council did not have much appetite for the concept at the time, so it was not taken further. As a result, this section only focusses on the 1% or 2% tax increase for Infrastructure.

A certain percentage of the entire amount generated for Infrastructure could be allocated to parks projects. The 2030 Infrastructure Plan notes that from 2016 to 2030, about 16% of the total infrastructure plan projects are spent on Parks projects, so in calculating revenue potential this report assumes that 16% of the additional percentage for Infrastructure could go towards Parks development projects. However, this allocation may be reconsidered for this additional revenue.

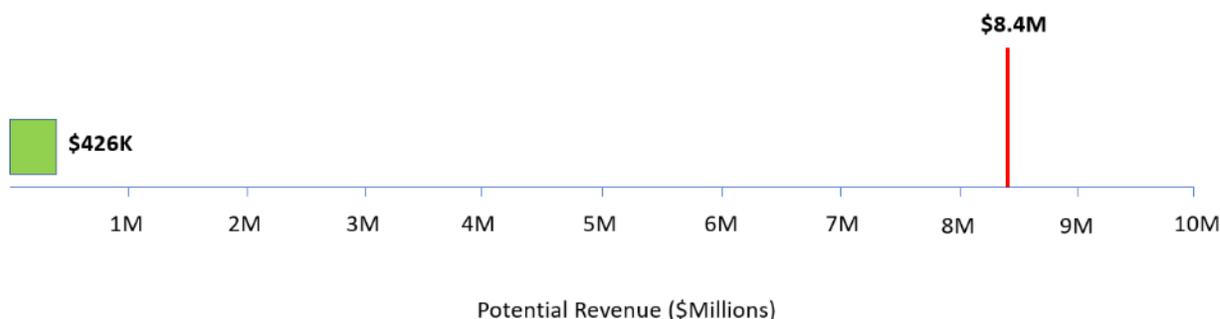


6.3.2 Revenue potential

The City's property value tax is projected to be about \$133 million in 2018 (as set out in the latest Financial Plan). Examples of percentage increases for infrastructure are:

- A 1% increase would result in about \$1.33 million and if for example, 16% of that went to parks development, that would result in about \$213,000 per year
- A 2% increase would result in about \$2.66 million and if for example, 16% of that went to parks development, that would result in \$426,000 per year

The amount of revenue for parks would be influenced by the actual percentage increase for infrastructure, and the allocation of the percentage increase towards parks development. While the 16% allocation to parks is based on projected proportions, in view of the significant deficit that needs to be addressed for parks development, it may be useful to consider increasing the 16% to a higher percentage when considering how to allocate the additional 1% or 2% for infrastructure.



6.3.3 Council direction and discussion

Council provided direction of “Yes proceed” to general taxation increases. Some council members felt it may be most effective as a specific percentage, such as 1% or 2% (or other percentage as necessary) towards infrastructure. Council members did not feel there would be an appetite for a specific percentage charge only for parks development, since there are other infrastructure priorities for the City's residents as along with parks. However, they did think that it may be feasible to present a bundle of infrastructure needs, with parks as a portion of that bundle. The idea of having a separate line item on tax notices such as “Infrastructure improvement funding” or “Infrastructure levy” and a dedicated fund was also discussed.

6.3.4 Next steps

The next steps for proceeding with the implementation of a general taxation increase are as follows:

- Clarify the specific parks development needs that could be addressed through the 1% or 2% Infrastructure levy, along with other infrastructure needs that would be part of the bundle

- Clarify the revenue potential and details. For example, does the 1% or 2% apply to all property classes or just residential? How does the 1% or 2% property value tax fit with a potential parcel tax for parks facilities?
- Clarify the impacts on various assessment classes and property values in the City.
- Establish draft timing for implementation.
- Engage with stakeholders to educate about the idea and seek input, perhaps as part of the City's regular engagement on the 2019 Financial Plan.
- Return to Council with results of the input.

6.3.5 Draft staff recommendation, in the form of a Council resolution

The following resolutions can be brought forth to Council for consideration related to general taxation:

Council directs staff to investigate, through coordination through the 10 year capital plan, the impacts and benefits of creating a specific 'Infrastructure Levy' percentage on taxation to address general infrastructure deficits, and report back to Council.

6.4 Shift parks acquisition to parks development

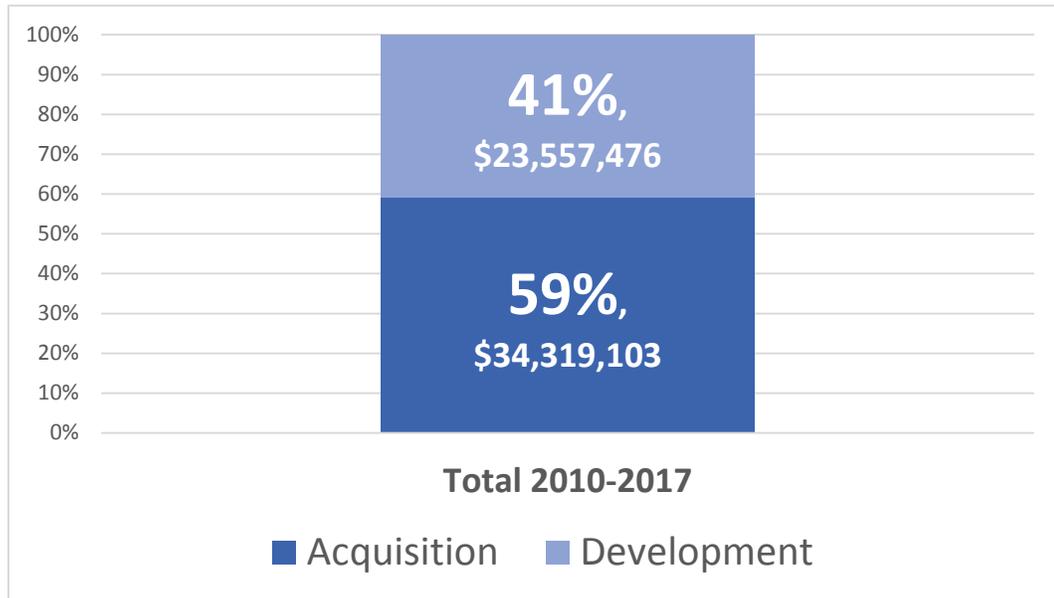
6.4.1 Tool description

The City could shift the expenditures within the current funding level for parks. The shift would be to spend more on parks development and less on parks acquisition, than in the past. This would help address the issue regarding the significant amount of existing parkland that is underdeveloped. For a period of time, the City could focus more funds on parks development and somewhat less on acquisition. This would not entail a wholesale shift, but a 'tilt' in the priorities. Parkland acquisition would still occur in order to ensure that the City invests in parkland to support its future.

6.4.2 Revenue potential

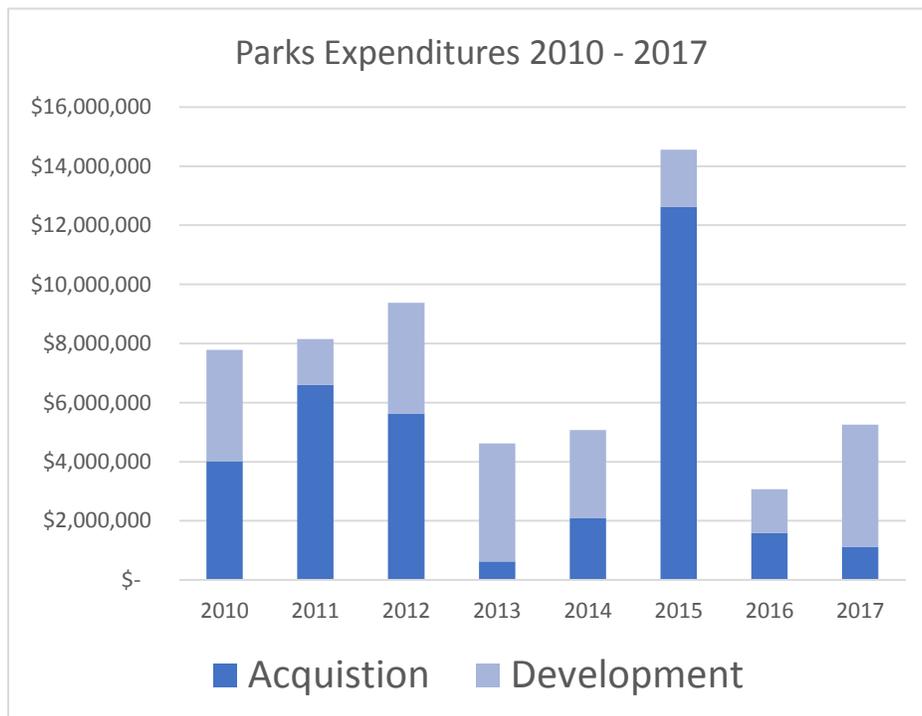
From 2010 to 2017 about 59% of parks expenditures have been on acquisition and 41% on development, as demonstrated in Table 6.1.

Figure 6.1
Parks expenditures (2010 – 2017)



The amounts vary significantly from year to year as illustrated in Table 6.2.

Table 6.2
Parks expenditures per year (2010 – 2017)



The average expenditures on parks acquisition per year over the 2010 to 2017 period were about \$4.29 million per year for acquisition and about \$2.94 million per year for development without

grants. The analysis shows that the amounts for 2010 are quite high, but that is because of a somewhat rare grant opportunity from stimulus funding in 2009 and 2010. In order to effectively compare the amount of funds the City regularly expends on parks development from funds other than unusual grants, we compiled the total expenditures without grants.

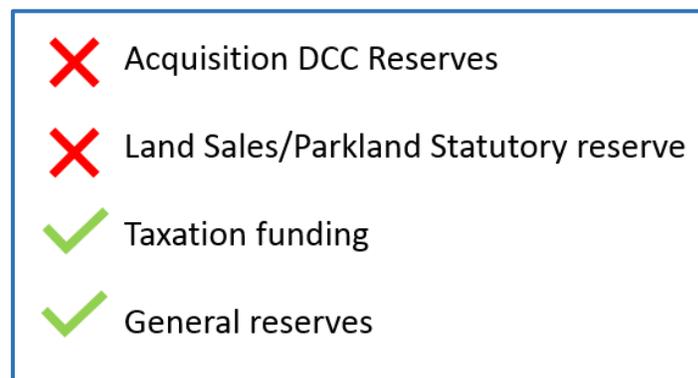
In seeking amounts that could be shifted from expenditures on acquisition to expenditures on development, we need to consider that some sources would not be available for a shift from acquisition to development and these include:

- Expenditures from Acquisition DCC reserves (\$18.35 million from 2010 to 2017) – these funds are specifically allocated for Parks acquisition.
-
- Expenditures from Land sales/Parkland statutory reserve (\$5.86 million from 2010 to 2017) – while these funds occasionally are used for development projects, they are primarily restricted to acquisition, and this analysis assumes that these funds will not be available for parks development.

The significant sources that could be shifted from expenditures on acquisition to expenditures on parks development include the following:

- Taxation sources – taxation funding and carryover taxation (\$5.11 million from 2010 to 2017)
- General reserves (\$1.87 million from 2010 to 2017)

Figure 6.1 – What can shift from acquisition to development?



These are essentially taxation sources and they added up to \$6.98 million from 2010 to 2017. About \$5.15 million of this money was spent on Natural and Linear parks acquisition. The remaining \$1.83 million was spent on Active parks acquisition, but this is likely composed of the 8% Parks DCC assist, and the 3.4% assist for secondary suites, required to accompany the amount spent from the Parkland acquisition DCC reserve fund.

The \$6.98 million translates to about \$872,000 per year. One option could be to shift all of those funds from acquisition to parks development to provide an additional \$872,000 per year for

development. This would leave \$872,000 less per year to acquire Natural and Linear parkland and to make up the assist amount to accompany parkland acquisition funds. This shift could be accomplished in a number of different ways:

- The City could reduce the Parks DCC assist. If the Parks acquisition DCC assist was reduced, that would free up additional funds for transfer from acquisition to development, since the money would not be required to pay the assist portion of parkland acquisition.
- This City could defer spending money from the Parks acquisition DCC Reserve Fund for a few years, this would reduce the need for the City to provide the matching 8% assist amount on acquisition in any specific year and free it up for expenditures on development.
- The City could stop acquiring Natural and Linear parkland for a number of years.
- The City could establish a Natural and Linear parkland DCC to generate a separate source of funds for acquiring Natural and Linear parks.

The third option has often been adopted in recent years. In 2016 and 2018 Natural and Linear park acquisition has been dropped to a P2 in favour of more pressing capital budget demands. Inevitably this has hindered the acquisition program for this type of park in recent years.

To address the combination of options set out in section 5, the amount assumed available to shift without the reduction in the DCC assist is the \$5.15 million spent on Natural and Linear parks, or about \$644,000 per year. The amount realized from a reduction in the assist amount is set out in section 8.2 and included in Option 4 in section 5.

It is important to note that from 2010 to 2017, \$28.8 million or an average of \$3.6 million per year was donated as parkland or provided as natural areas or linear parks. Frequently this is in the form of undevelopable hillside associated with a new subdivision. This is not a source of revenue, but rather a value ascribed to parkland donated or provided to the City. This is expected to continue, and the City would still be acquiring parkland through donation or through development, even if some funding is shifted away from acquisition. It is interesting to note that, over the same time, from 2010 to 2017, only about \$640,000 or an average of \$80,000 per year was donated or provided for park development.

6.4.3 Council direction and discussion

Council provided direction of “Yes proceed” for shifting from parks acquisition to parks development and emphasized that this is the most important change they would like to see made. It is important to shift the emphasis or ‘tilt’ from parks acquisition to development in order to allocate more funding to parks development and address the backlog of undeveloped or underdeveloped parks. Council wants more flexibility to allocate additional funds towards parks development and does not want to be locked in to only being able to spend certain funds on acquisition.

Consideration should be made toward spending more funds on parks development for the next few years, and then shifting back to spending money on acquisition as Council does not want to be short-sighted in terms of acquiring parkland over the long-term, but still would like to focus more on parks development in the short term. That being said, Council does not want to stop land acquisition, as they would like flexibility to acquire lands if opportunities arise.

6.4.4 Next steps

The next steps for proceeding with the implementation of a shift from parks acquisition to parks development are as follows:

- Return to Council with figures to obtain their input on the magnitude of shift they would like to see;
- Work in concert with establishing a Linear parks acquisition DCC in order to maintain acquisition funding for this park type
- Work in concert with other initiatives such as establishing a Parks Development DCC which will provide more flexibility in expenditure of DCC revenues;
- Seek input on this shift in direction at the next round of public input on the financial plan; and
- Establish guidelines for future budget allocation discussions in order to allow for more expenditures on Parks development.

6.4.5 Draft staff recommendation, in the form of a Council resolution

The following resolution can be brought forth to Council for the shift from parks acquisition to parks development:

Council directs staff to confirm the potential taxation capital funding shift from Linear Parks acquisition funding, to parks development funding, in tandem with preparing a draft Linear Parks Acquisition DCC, engage with the public and key stakeholders on the proposal, and report back to Council.

6.5 Commercial/Industrial parks acquisition & development DCCs

6.5.1 Tool description

Currently the City does not apply a Parks acquisition DCC charge to Commercial or Industrial developments. The City could apply a Parks DCC to these uses. Visitors who patronize commercial establishments have an impact on the demand for parks during their visit. Employees from outside the City also have an impact on parks during lunch and before or after work. These impacts are not captured by only having residential development pay for a Parks DCC. Similar to DCCs applied for other forms of infrastructure, the Parks DCC would be applied based on the square metres of new floor area of commercial development, and the hectares of Industrial development.



Source: City of Kelowna

There are two components of the Commercial/Industrial Parks DCC that could be considered:

- A Parks development DCC
- A Parks acquisition DCC

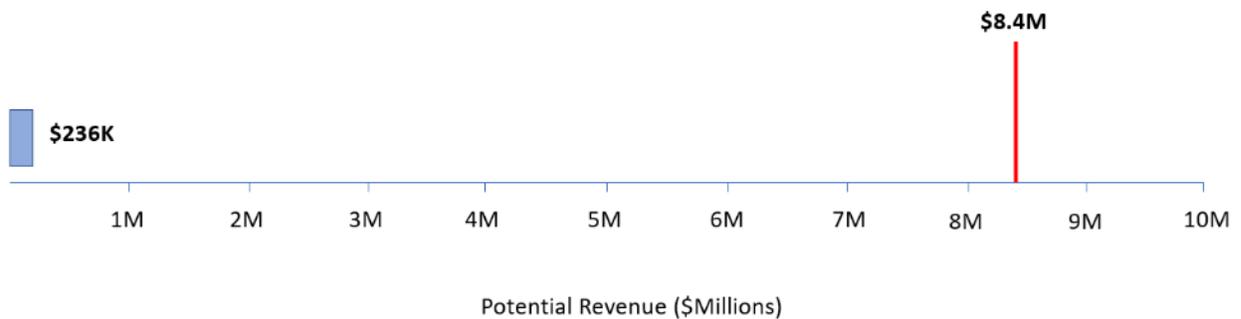
A Parkland development DCC that applies to commercial/industrial units would spread the parkland development costs over a larger number of equivalent units, meaning lower charges per unit for Residential DCCs, or considered another way, the commercial/industrial development would shoulder some of the burden and generate some of the revenue required.

The creation of a Parks acquisition DCC that applies to commercial/industrial developments would spread the Parks acquisition DCC amongst more development units, reducing the charges per residential unit. This could in turn free up room for a Parks development DCC on residential units.

Some consideration could be given to charging specific sectors of commercial uses, such as hotels or restaurants that specifically serve tourists, however this may be somewhat difficult to do and still meet the requirements of the Local Government Act or the Best Practices Guide. Further exploration would be required to identify potential options to charge specific commercial uses a different DCC rate or to only charge specific commercial uses, and this approach is not proposed at this time.

6.5.2 Revenue potential

A portion of a Parks development DCC could be paid for by commercial/industrial development. The 20-year Servicing Plan and Financing Strategy identifies 1242 equivalent units of commercial development, 136 equivalent units of industrial, and 19950 equivalent units of residential development, which means that 6.46% of units are projected to be commercial/industrial. If about \$3.66 million per year could be generated by all Parks development DCCs, 6.46% of that amount could be generated by commercial/industrial development which equates to about \$236,000 per year.



The \$3,430 per residential unit for a Parks Development DCC calculated earlier would translate to \$11.36 per square metre for commercial (the City DCC report equates 302 sq. m. of commercial to 1 residence) and \$8470 per hectare for industrial (the City DCC report equates .405 hectares of industrial to 1 residence). This compares to an existing overall DCC for Commercial uses (for roads, water and sewer) of about \$54.40 per square metre (in the Inner City area) and an Industrial DCC of \$65,354 per hectare (in the Inner City area).

If Commercial development paid the equivalent of \$5795 per year for a residence for a Parks acquisition DCC, and the 20-year Servicing Plan and Financing Strategy identifies 1242 equivalent units of commercial development, this translates to about \$7,197,000 over 20 years or \$360,000 per year. The amount of revenue would be influenced directly by the amount of commercial development per year. The 20-year Plan also identifies 136 equivalent units if industrial, which would translate into \$788,000 or about \$39,000 per year. The equivalent charge of \$5795 per unit would be \$19.19 per square metre of commercial development, and \$14,309 per hectare of Industrial development.

Another way to consider the impact is that if commercial and industrial development is added to the amount of units for the Parks acquisition DCC, the Residential acquisition DCC would decrease. As commercial and industrial units would make up another 6.46% of the units, the \$5795 Parks acquisition DCC could decrease by about 6.46% or \$374 per unit. This could free up some room for a Parks development DCC.

6.5.3 Council direction and discussion to date

Council provided direction of “Yes - Proceed” for applying a DCC to commercial and industrial uses. Many people come from outside the City of Kelowna to vacation here or work here and they have an impact on parks. This approach will assist in providing funds to pay for this impact. This will assist in providing additional DCC funds from mixed use buildings that have both residential and commercial uses.

6.5.4 Next steps

The next steps for proceeding with the implementation of a Commercial/Industrial DCC are as follows:

- Clarify the amount of potential Commercial/Industrial parks DCC that would be charged;
- Clarify the potential revenue from the Commercial/Industrial parks DCC;
- Clarify if the Commercial Parks DCC will be for both acquisition and development – likely if the Parks development DCC proceeds, it will be for both;
- Clarify if the DCC will be applied to only commercial development or to industrial development as well;
- Frame up the proposal for input;
- Consult with the public to obtain feedback on potential Parks development DCCs.
- Engage with UDI and other members of the development community, taking care to ensure that commercial and industrial developers and builders are specifically included to seek their thoughts on the concept and potential changes;
- Revise the approach based on input;
- Engage with the stakeholders on the revised approach; and
- Amend the DCC background report and the DCC bylaw to implement a parks DCC that applies to commercial and possibly industrial uses.

6.5.5 Draft staff recommendation, in the form of a Council resolution

The following resolutions can be brought forth to Council for the implementation of a Commercial and Industrial DCC:

Council directs staff to prepare a draft a Parks DCC for Commercial and Industrial zoned properties, engage with the public and key stakeholders on the proposal, and report back to Council on how to proceed with implementing a Commercial/Industrial Parks DCC

7.0 POTENTIALLY MOVE FORWARD, (BUT NEED MORE INFORMATION TO CONSIDER & EXPLORE)

7.1 Introduction

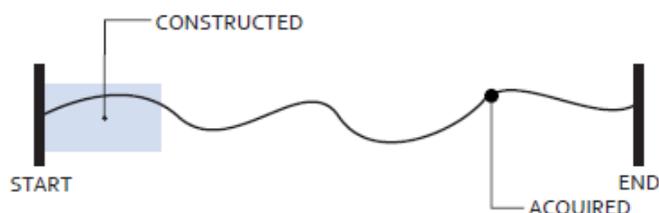
This section identifies tools that Council may consider for implementation in the future upon further exploration of benefits and constraints. These are tools where there is a definite interest in moving forward, but more work is required to understand impacts.

For each tool the subsection will do the following:

- Describe the tool
- Identify revenue potential and parameters that influence the revenue
- Describe Council direction and discussion to date
- Identify next steps – background work, bring back to Council for direction
- Draft staff recommendation – in the form of a Council resolution

7.2 Linear parks acquisition DCCs

7.2.1 Tool description



Currently the City does not include property acquisition for Linear parks in the calculation of Parks acquisition DCCs. In order to generate more revenue and to provide flexibility in using DCC revenues, the City could add Linear parks acquisition to the Parks DCC. In order to proceed, the City would need to add the hectares of linear parkland required per 1000 population to the DCC calculations. Currently the DCC bylaw sets out an amount of 2.2 hectares per 1000 population for acquisition. This figure would be increased to include linear parks.

Another approach would be to identify the linear kilometres required. The analysis set out in section 4 identifies that an additional 29.49 km of linear park needs to be acquired. At an estimated cost per km for acquisition of \$600,000 per km, that translates into a total acquisition cost of \$17,694,000.

One factor to consider is the proportion of future linear parks acquisition that should be allocated to Growth. This analysis assumes that the current population is served with linear parks, and that new linear parks are required to serve growth. Other assumptions, such as assuming that a portion of the new linear parks are required to serve the existing population would result in different potential DCC rates.



Source: City of Kelowna

7.2.2 Revenue potential

If \$17,694,000 is accumulated over 20 years for linear parks acquisition, that equates to \$884,700 per year. If these funds are collected from both residential and commercial development through DCCs, the DCC rate would be: $\$17,694,000 - 8\% \text{ assist} = \$16,278,480 / 21328 \text{ units} = \763 per unit .

A Linear parks acquisition DCCs in itself does not directly provide funding for Parks development, which is the focus of this report. However, it does allow a shift in taxation spending from acquisition to development, while maintaining the Linear parks acquisition program. Therefore, this tool has been linked to the shift from acquisition to development, as outlined in 6.4 above, for further consideration.

7.2.3 Council direction and discussion

Council direction was in between “Yes proceed” and “Not sure – consider/explore” for the implementation of a Linear parks acquisition DCC. Linear parks have functions that fit into different areas, which might influence funding sources since Linear parks are important for mobility and often fit into flood mitigation areas.

Further consideration is required to determine: how the potential increase in DCCs for Linear parks relates to potential increases due to the Parks development DCC; whether or not there will be room for a Linear parks acquisition DCC if the City proceeds with a Parks development DCC; and the overall impact on Parks DCCs. While Council is keen on seeing the development of parks, this tool would focus more on acquisition.

7.2.4 Next steps

The next steps for proceeding with the implementation of a linear parks acquisition DCC are as follows:

- Conduct background work to quantify more clearly the amounts of lands required, the potential revenue generated and the potential increase in Parks acquisition DCCs.
- Work in concert with a shift in taxation spending from acquisition to development as set out in 6.4 above.
- Consult with the public to obtain feedback on potential Linear parks acquisition DCCs.
- Engage with UDI and other members of the development community to seek their thoughts on the concept and potential changes.
- Revise the approach based on input from the public, UDI and the development community.
- Bring information back to Council for discussion, along with the broader context of other initiatives such as the Parks development DCC.

7.2.5 Draft staff recommendation, in the form of a Council resolution

This tool is proposed for consideration in parallel with the shift from acquisition to development as set out in 6.4 above, and therefore shares the same proposed resolution to Council for the further exploration of implementation of a Linear parks acquisition DCC:

Council directs staff to confirm the potential taxation capital funding shift from Linear Parks acquisition funding, to parks development funding, in tandem with preparing a draft Linear Parks Acquisition DCC, engage with the public and key stakeholders on the proposal, and report back to Council.

7.3 Parks-specific parcel taxation

7.3.1 Tool description

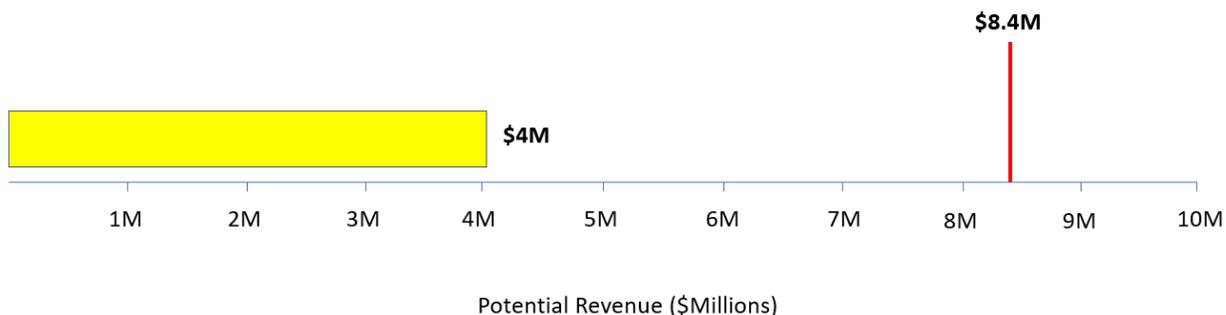
A parcel tax would create a portfolio of parks projects throughout the City. However, an alternative approval process or referendum may be required to implement this tool if borrowing is required. If no borrowing is necessary, a parcel tax increase could be implemented without the use of either.

7.3.2 Revenue potential

A representative portfolio of potential parks improvements that could be funded by a Parks-specific parcel tax throughout the City is set out below. It would be a diverse portfolio representative of the different areas of the City, and relevant to many different parks user groups:

City Park - Walkway renewal	\$3.0m
Glenmore Recreation Park - Phase 3	\$3.9m
Rutland Centennial Park – Phase 3	\$2.3m
South Pandosy Waterfront – Phase 1	\$5.0m
Black Mountain Community Park	\$5.4m
Total	\$19.6m

There are 56,000 tax rolls (51,000 residential). If the \$19.6 million is divided by the number of tax rolls, this equates to about \$350 per unit. This could be spread out to generate about \$70 per year over 5 years, about \$4,000,000 per year, or \$3,500,000 per year if just charged on residential parcels/rolls.



7.3.3 Council direction

Council direction was in between “Yes - proceed” and “Not sure – consider/explore” for creation of a parcel tax for parks improvement.

7.3.4 Next steps

The next steps for proceeding with a high increase to parcel taxation are as follows:

- Conduct background research; and
- Seek further direction from Council

7.3.5 Draft staff recommendation, in form of a Council resolution

The following resolution can be brought forth to Council for the further exploration of the implementation of a parcel tax for parks development:

Council directs staff to proceed with conducting research on the potential revenue generated from a Parks-specific parcel tax and to report back to Council on constraints and benefits associated with proceeding with such a parcel tax.

8.0 CONSIDER AND EXPLORE FURTHER

8.1 Introduction

This section identifies tools for which Council demonstrated uncertainty. Further consideration of the impacts and benefits of these tools is required before a decision can be made about proceeding. For each tool, the subsection will do the following:

- Describe the tool
- Identify revenue potential and parameters that influence the revenue
- Describe Council direction and discussion to date
- Identify next steps – background work, analysis
- Draft staff recommendation – in the form of a Council resolution

8.2 Reduce the Parks DCC assist

8.2.1 Tool description

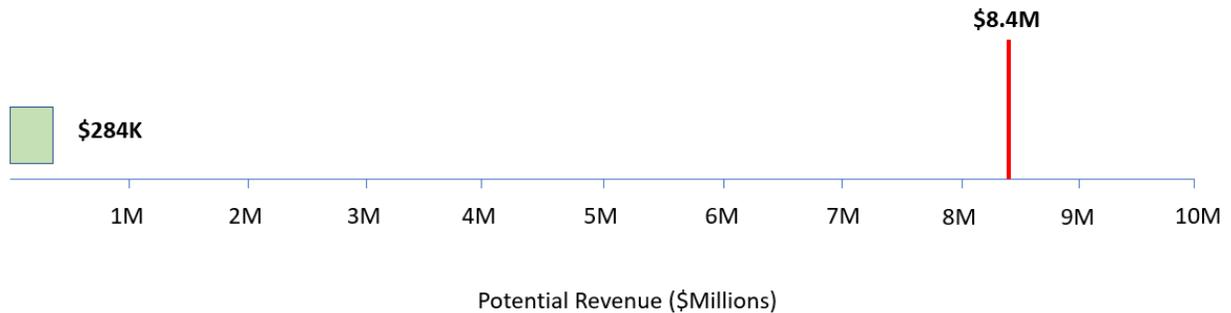
Currently the parks Acquisition DCC assist factor is 8%, plus an extra 3.4% assist for secondary suites. This tool would entail reducing the 8% assist to 1% assist. 1% assist is common in most communities. The Parks acquisition DCC would therefore increase to compensate for the 7% difference. –This amount is currently paid by general taxation revenues. This would free up room in the City budget as the 7% difference in assist would not be required to accompany the amounts withdrawn from the Parks Acquisition DCC reserve fund to purchase parkland. In other words, the amounts currently committed in the budget to pay the 7% assist could be spent on other things such as parks development.

Further, as identified in 6.2 above, DCCs can only be used on specific components of parks development. They may not be applicable design elements Council may wish to pursue, that are specific to Kelowna clientele or the Okanagan climate. A reduction in Parks DCC assist also avoids a larger portion of taxation in the capital budget being tied to DCC funded projects only, and therefore affords greater flexibility to Council during budget deliberations.

8.2.3 Revenue potential

A brief calculation of the revenue potential is based on reducing the basic assist from 8% to 1% on the existing Parks Acquisition DCC. The existing Parks Acquisition DCC has generated \$37.3M over 10 years, which results in \$3.73M per year on average. This \$3.73M represents 92% of revenue at 8% basic assist. If the figure is recalculated with a 1% assist rather than an 8% assist, this means 99% of revenue rather than 92%, and results in average annual revenues of \$4.014M or an additional \$283,800 per year. The \$283,800 would be provided by Parks Acquisition DCCs rather than by general revenues, which would free up the general revenue funds for Parks projects not funded by DCCs.

As an example of a potential increase in the Parks Acquisition DCC, the current \$5795 residential Parks Acquisition DCC has an 8% assist. If the assist were reduced to 1%, that DCC would increase to \$6236 per dwelling. This translates to a \$441 increase in Parks Acquisition DCCs per dwelling over the current Parks Acquisition DCC.



8.2.4 Council direction and discussion

Council indicated that they were willing to explore this approach further but would like to have more information regarding the implications. Some of the implications of decreasing the assist factor would include:

- The impact on the Parks acquisition DCC rate;
- How the change would be viewed by the development community as it would result in developers paying a higher portion of the parks cost since the City would no longer be providing the 8% assist; and
- Implications for other aspects of the City budget. For example, if the assist amount is reduced, then that may free up the component of the City budget that currently pays for the extra 7% in assist.

8.2.5 Next steps

While the figures above provide some of that information requested by Council, they are based on brief calculations. To provide better information, the City should conduct a more detailed DCC calculation modelling to identify the impact on Parks acquisition DCCs and the amount of revenue freed up for the City by reducing the assist amount from 8% to 1%.

In order to identify how the change would be viewed by the development community, the following steps are suggested:

- Consult with the public to obtain feedback on a potential reduction in the Parks DCC taxation assist.
- Meet with the development community to gain an understanding of their perspectives on a potential reduction in the assist amount, and resulting increase in Parks acquisition DCCs; and
- Combine such consultation with discussions on other suggested changes allowing the public and the development community to see the cumulative impacts of the suggested changes.

8.2.6 Recommendation

The following resolution can be brought forth to Council for the further exploration decreasing the municipal assist factor for DCCs:

Council directs staff to research a range of options to reduce the parks DCC taxation assist, engage with the public and key stakeholders on the proposal, and report back to Council on the implementation of such a reduction

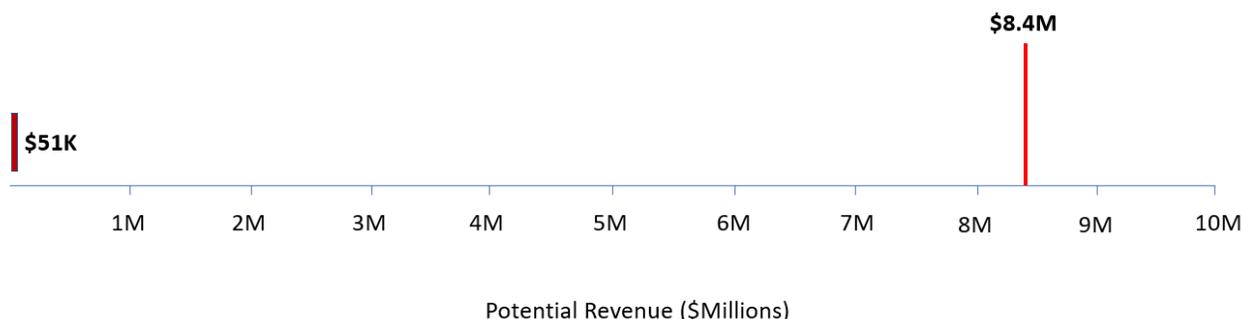
8.3 Tourism taxation – Increase Airport dividend

8.3.1 Tool description

Visitors have an impact on parks and other infrastructure. Currently the Airport pays an annual 'dividend' to the City of Kelowna as a return on the investments the City has made that benefit the airport and air travellers. The concept would be to either increase the dividend amount paid to the City, or to set a separate levy paid by the airport. The charge would provide funds to pay for all forms of infrastructure impacted by tourism to the City such as transportation and water, not just parks.

8.3.2 Revenue potential

The estimated revenue from the Airport dividend for 2018 is \$1.28 million. While at this point no analysis has been conducted to determine how the amount would be calculated, a 25% increase would result in an additional \$320,000 per year for a range of infrastructure, of which a certain portion could be directed to parks development that benefits tourists who arrive by air. If 16% of that amount was directed to Parks, that would result in an additional about \$51,000 per year.



8.3.3 Council direction and discussion

Council suggested that the City could explore the concept of the Airport paying a tax or dividend to pay for broader infrastructure impacts, or to pay for the benefits of investments the City makes in infrastructure that benefits tourism. Council did not feel that it was appropriate to have a payment directed solely at Parks since visitors have an impact on a variety of different types of infrastructure. It would be important to emphasize that the funds generated would contribute to the full range of infrastructure.

8.3.4 Next steps

The next steps would be to develop more details for the concept together with Finance, the Airport and departments responsible for various forms of infrastructure, including parks. The details would identify the amount of the charge, how the charge would be administered, and where the funds generated by the charge would be directed.

8.3.5 Recommendation

The following resolution can be brought forth to Council for the further exploration of implementing a tourism tax for the airport:

Council directs staff to explore the concept of an increased Airport dividend specifically aimed at paying for a broad range of infrastructure that benefits the airport and air travellers, and to report back to Council on the benefits and implications of this tool.

8.4 Developer partnerships

8.4.1 Tool description

In the past, several developers have voluntarily partnered with the City for park development costs, typically up to 50%, as they recognize the benefit of completed parks when selling property lots (i.e. Kettle Valley). Conversely and more recently, several developers chose not to partner with the City for parks development, and when parks are identified in marketing material but not developed, this often reflects poorly on the City. Many of the successful developer partnerships in the past were achieved with the equivalent of a full-time staff position to pursue them. This capacity no longer exists currently, and developer partnerships have since reduced generally as a result.



Source: City of Kelowna

The use of voluntary developer partnerships is not equitable, and a heavy demand. Council has also expressed concern in the past that partnerships skew parks development priorities established by the City, by effectively queue jumping over developments in existing neighbourhoods, less affluent areas, or other City priority needs.

The concept is to consider making the parks partnership requirements firmer and more consistent with developers. This would ensure that every new development engages in a parks partnership and that new parks are associated with every new development.

On the other hand, if the City proceeds with a Parks development DCC, it could replace developer partnerships with a more equitably distributed and managed system. The developer partnership approach to getting parks built would likely diminish in importance, and the City would not need to make the parks partnership requirements firmer and more consistent. Partnership opportunities would be discussed and resolved as they arose. Nevertheless, this section considers the impacts of a more consistent parks partnership requirement.

8.4.2 Revenue potential

To get an idea of the possible revenue potential, the amounts generated through partnerships with developers over the past 3 years are as follows:

- \$150,000 at a 50/50 partnership over the last couple of years
- \$75,000 per year in revenues
- That amount would translate to about \$225,000 over 3 years

If all developments are required to participate in parks partnerships, rather than just the portions that are currently volunteering to partner, the result may be a doubling or even tripling revenue through this form of partnership. Doubling would result in \$150,000 per year and tripling would result in \$225,000 per year. In making projections, that analysis will assume that the revenue from developer partnerships for parks development will double to generate another about \$75,000 per year.

Since the combination of funding in Option 4 includes a Parks development DCC, the analysis does not include this \$75,000. As noted above, if the Parks development DCC proceeds, the City would not need to make the parks partnership requirements firmer and more consistent, and the \$75,000 would not be a consistent source of revenue.

8.4.3 Council direction and discussion

Council felt that the concept of requiring developers to partner with parks was worth exploring further, but it would need to be explored within the context of the other tools that are being considered. For example, the potential for a Parks development DCC that could pay for parks development should be considered in conjunction with developer partnerships to ensure the two work together and are not resulting in the perception of double charging. Council thought that the City should engage with the development community to identify their thoughts on the concept.

8.4.4 Next steps

The next steps are to frame up the concept more clearly and then to meet with the development community to gauge their thoughts on the concept.

8.4.5 Recommendation

The following resolution can be brought forth to Council for further exploration of developer partnerships:

Council directs staff to further explore the concept of ensuring that all developments participate in parks partnerships, which includes seeking input from the public and affected stakeholders, and to report back to Council on the associated benefits and implications of these partnerships.

8.6 Community partnerships

8.6.1 Tool description

There is potential to partner with community groups for the provision of parks and parks facilities. Opportunities may exist with the following community groups:

- Sports organizations - Certain sports facilities (i.e. temporary inflatable structures to achieve year round use) can offer an opportunity for an organization to provide an amenity that might not otherwise be realized. The organization typically requests land from the City while it covers capital, operating and maintenance costs. In return, the organization provides a portion of time available for public use. As a generalisation, recently such partnerships have been more frequently directed towards buildings (club houses, temporary inflatable structures) than pitches and courts.
- Not-for-profit organizations - Service groups and cultural organizations can offer possibilities for one-off partnerships and can often access grant and other funding sources the City does not have access to. Typically, these are assessed on a one-off basis to ensure the organization's goals are in line with those of the City (i.e. Laurel Packinghouse Courtyard).
- Neighbourhood groups - A common model in other provinces, partnership with a neighbourhood group faces many challenges. A Local Area Service (LAS) plan, often used for utility upgrades, is a very administratively clumsy tool for the relatively small amounts required for a neighbourhood park development. A voluntary partnership with a neighbourhood group, however (i.e. Lost Creek Park), lacks the structure to ensure all neighbours contribute equitably.

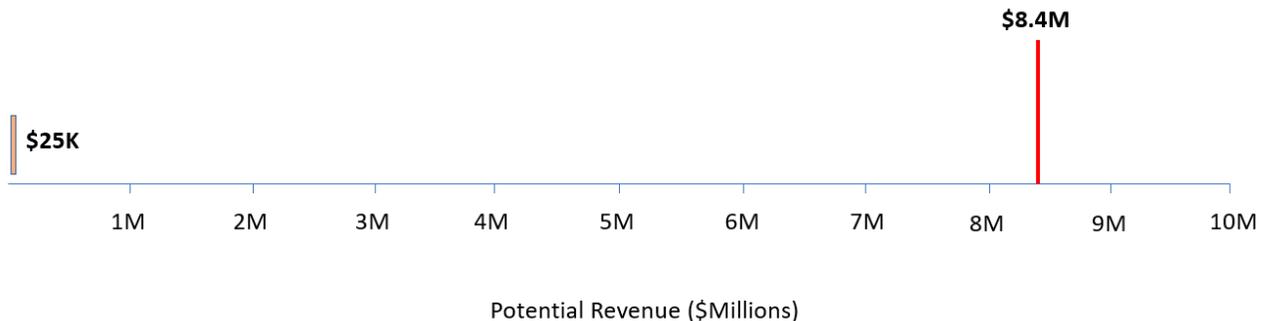


Source: City of Kelowna

Some of the examples noted above are for buildings, which are outside the scope of this report, but there may be potential for items such as playground structure the could be considered within the scope of this assignment.

8.6.2 Revenue potential

As an indicator of the revenue potential, the Lost Creek Park in Wilden resulted in \$125,000 in revenue raised by diligent and dedicated neighbourhood group over several years but consumed an extensive amount of their time and staff time in order to do so. There will be limited amounts of revenue potential associated with this source and may only be applicable in specific situations. Therefore, as an estimate this report will indicate that approximately \$25,000 per year can be generated through Community partnerships.



8.6.3 Council direction and discussion

Council felt that this was likely an option to continue to retain at the City, and that it would likely be considered on a case-by-case basis. As with Developer partnerships, concern has been expressed that this model facilitates queue jumping over higher City priorities. Somewhat more exploration could be undertaken to clarify the opportunities and affirm policies for when Community partnerships are appropriate.

8.6.4 Next Steps

The next steps are to review existing policies and framework for community contributions and then engage Council in discussions to determine if the policy direction should be revised.

8.6.5 Recommendation

The following resolution can be brought forth to Council for the exploration of community partnership opportunities:

Council directs staff to review and refine existing policies and establish a framework for community contributions to parks facilities.

8.7 Parks revenues

8.7.1 Tool description

Parks revenues include a series of revenue sources directly from Parks including:

- Parking revenue;
- Property rentals;
- Leases;
- Concession and equipment rentals; and
- Recreation user fees.

8.7.2 Revenue potential

It should be highlighted, this tool does not generate new revenue for the City, (unless fees and rates are increased). These revenues currently go to either General revenue, or specific reserves. However, this tool does generate a stronger and more tangible link between expenditures and revenues generated within the same cost centre. This can serve to clearly justify user fees to the broader public (such as boat parking fees adjacent to a boat launch), as well as enforce the link to lost rental revenue potential when planning new park development.



Source: Google, Map data

In terms of parking revenue, the City Park and Waterfront Park Parking Lots currently contribute approximately \$50,000 per year to the Parks acquisition & development reserve. This amount is useful, and the City will continue to use these revenues. There is also the potential to generate additional revenues from boat parking, particularly at Cook Road. Substantial repairs to the boat launch are anticipated in the near future, and this is an opportunity to make a direct link between expenditure and user fees. Similarly, other parking fees generated at our popular waterfront parks particularly, can be used to support development within the City-wide park type.

After operating costs for administration, maintenance, property tax, etc. there is net revenue after expenses from rental of the parks residential properties. Additional funds are generated from other parks properties awaiting development (many of these are along our linear corridors). This would provide an important source of revenue, and could fund of linear park development each year.

The City also currently receives funding for cell tower leases located on parkland. Again this small but steady stream of revenue could be used to fund improvements in associated areas (eg. Knox Mountain trail improvements), and to make the direct correlation in the public perception between the compromise of having a cell tower and the associated trail benefits.

The City currently generates revenues from concessions in parks such as food trucks. The primary purpose of these enterprises is to add animation and vibrancy to our parks system, and

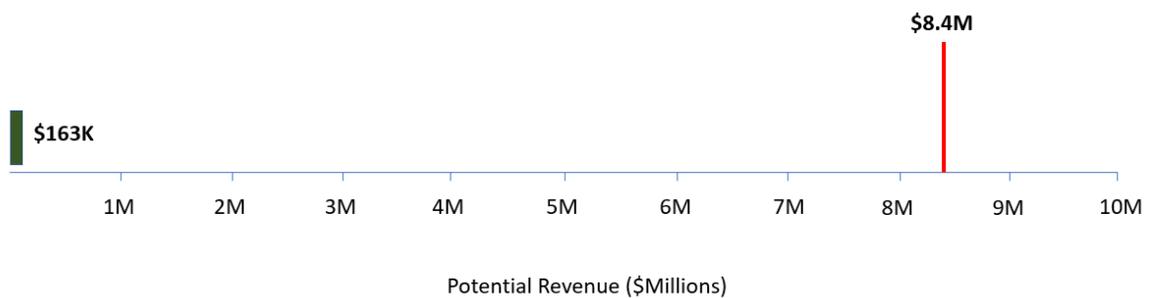
rates are therefore negotiated with this purpose in mind. Again a clear link can be made between resident park users and tourists with the expenditures associated with our City-wide parks

There is very limited potential to generate significant additional revenues from recreation user fees such as:

- User fees for sports fields and courts;
- Revenue from event user fees in parks; and
- Equipment rentals for parks, sports fields and courts.

User fees are used to fund the operating costs to support such programs. Surplus revenues (if any) from the above sources are already contributed to the relevant reserves including the Sports fields reserve and Parks acquisition and development reserve. Changes may impact user groups if fees and rental rates are increased, with only very modest increases in revenues. The City will continue with the current approach for these sources of revenue.

More work is required to establish the potential increase in parks revenues that could go towards Park development. Pending further investigation at Council's direction, this analysis assumes a conservative \$163,000 of revenues is dedicated towards Parks development annually.



8.7.3 Council direction and discussion

Staff had advised Council during the workshops there was only limited revenues available, and Council therefore directed we should maintain the status quo. It has since become apparent the potential revenue is greater, and it has therefore been elevated to 'Consider and explore further' on the Potential annual revenue matrix, in order to allow Council to review the new figures.

8.7.4 Next steps

The next steps are to consider these potential sources in more detail and identify the magnitude of revenue potential. The City may also wish to establish policies that guide the use of funds from these sources to ensure they are directed towards parks development projects.

8.7.5 Recommendation

The following resolution can be brought forth to Council for the exploration of Parks revenues:

Council directs staff to transfer funds in the forthcoming 2019 Provisional Budget and ongoing thereafter, for direct revenues generated, after operational costs are deducted, within existing parks and undeveloped park sites from parking, leases, property rentals, concessions, and other revenues, to the R079 - Parks Acquisition & Development General Reserve.

9.0 NO ADDITIONAL EFFORT - MAINTAIN STATUS QUO

9.1 Introduction

This section provides details on new tools Council directed to not pursue, as well as existing tools which should continue with the current status quo, but with no increase in effort or special focus. Each subsection below will complete the following:

- Describe the tool.
- Discuss why no additional effort is required.

9.2 Tourism taxation – Hotel tax

9.2.1 Describe tool

Hotel tax is currently levied on accommodation costs paid by visitors to Kelowna. A proportion of the hotel tax could be dedicated to park acquisition and development. Either the Hotel tax is increased to generate a new revenue source for park development, or its distribution is reassessed to allocate a portion of revenues to parks development, with decreases to funds for other tourism services.

9.2.3 Why no further effort is required

In previous discussions on the Parks Development Report on May 2017, Council indicated that an increase to the Hotel Tax to generate funds for parks development was not appropriate at this time. The City recently increased the Hotel Tax from 2% to 3% in early 2017 and an additional increase so soon is not supported. Further, a reallocation of the Hotel Tax for Parks development is not supported since the Hotel Tax and the recent increase are required to fund Tourism Kelowna. Council continued to confirm this direction during the Parks funding workshops in Fall 2017. No further effort is required to investigate the potential to increase or reallocate the Hotel Tax at this time.

9.3 Community Amenity Contributions

9.3.1 Tool description

Community Amenity Contributions (CACs) are negotiated amenity contributions agreed to by the applicant/developer and local government as part of a rezoning process initiated by the applicant/developer. They can be implemented through density bonusing provisions set out in the zoning bylaw, or paid upon rezoning based on extra density. Some communities establish a specific charge per square metre of additional floor space or per additional unit permitted through rezoning, other communities require negotiation on a case-by-case basis.

9.3.2 Why no further effort is required

While they can generate revenues in specific situations, they can be difficult to administer equitably and consume staff time. Both Council and staff indicated concerns with the idea of establishing Community Amenity Contributions in Kelowna. Observations were made of other communities that have expressed concerns with the CAC program and process. CACs would likely generate concerns in the development community and also place additional pressure on limited staff resources to undertake negotiations on CACs equitably. No further effort is required to investigate CACs directed at parks development.

9.4 Requirement for developers to build parks in new residential developments

9.4.1 Tool description

This tool would require developers to construct and develop parks as part of greenfield subdivision and construction in growth areas. While the authority to require developers to provide parkland at the time of development is clear, and the authority to require developers to pay DCCs for park development is also clear, the authority to require developers to construct and develop parks is less clear. More work would be required to clarify the authority. Certainly there is an opportunity to negotiate with developers for them to build the parks components, and this is currently being done under a partnership model, and could be done under the Parks development DCC model, but more work would be required to determine how to specifically require developers to build parks in a manner similar to how developers are required to build water and sewer lines within their developments.

9.4.2 Why no further effort is required

No further effort will be expended on this approach partly because of the uncertain authority to implement the tool and partly because the City plans to put more effort into creating a consistent partnership model of working with developers to partner on parks within their greenfield developments. Furthermore, if the city proceeds with a Parks Development DCC, this would provide a more equitable approach to the provision of fully developed parks regardless of development size, boundary or location, rather than attempting to make each new subdivision provide a fully developed park.

9.5 Sponsorships

9.5.1 Tool description

Many communities seek out funding through corporate sponsorship at parks, particularly sports fields through naming rights or signage advertising businesses or organizations, and benefits through positive association with the facility. The City of Kelowna has prepared guidelines to move forward with a five-year Corporate sponsorship and advertising pilot program. The program will welcome corporate sponsorship and advertising from qualified businesses and organizations that

align with the City's values, priorities and asset audiences. One of the components of the strategy is to seek sponsorships associated with various parks and recreation facilities.

9.5.2 Why no further effort is required

Since the following document has been prepared: "City of Kelowna Corporate Sponsorship and Advertising - Program Guidelines", which sets out a comprehensive approach to sponsorship, no further effort is required in this area. The document sets out a 5-year program, and the approach can be evaluated after 5 years. While this tool fits into the category of "no further effort required" this does not mean that no efforts are being made in this area, it only means that no additional investments beyond what the City is already making will be required on the sponsorship front. A plan is in place and it is moving forward well, so no more analysis or investigation is required at this time.

9.6 Commercial lease

9.6.1 Tool description

The City can generate revenues for parks development through commercial lease. This would include commercial lease of portions of parkland such as land on the perimeter of parks for food and beverage businesses. Commercial lease on parkland has been a contentious issue in the past. Each case is carefully considered, and a clear public benefit identified.

9.6.2 Why no further effort is required

Again, while this tool fits into the category of "no further effort required" this does not mean that no efforts are being made in this area, merely no additional efforts beyond what the City is already making doing are necessary.

9.6 Commercial Lease or sale of surplus land

9.6.1 Tool description

The City can generate revenues from the sale of surplus land, such as the recent sale of land adjacent to Boyce-Gyro Beach Park to allow for reconfiguration of the lands to accommodate parking for the park. However this was unusual, in many instances the original acquisition method of park property would dictate that any revenues generated from the sale can only be used for the acquisition of more property.

9.6.2 Why no further effort is required

No further effort is directed to the area of surplus land because the funds for the sale of surplus lands are already allocated for the acquisition of parkland under the current policy. The potential for parks development revenue is relatively low, however specific cases will be brought to Council should they arise.

9.7 Grants

9.7.1 Tool description

Grants from Federal or Provincial sources, or charitable organisations, offer potential funding for park development or amenity improvements. However, grants for general park development have been less forthcoming in recent years or have been for small values that cease to be cost effective to apply for and administer.

9.7.2 Why no further effort is required

Additional effort will not necessarily yield results if there are no grant programs to pursue at the moment. No additional effort beyond what is currently dedicated will be expended in pursuit of grants. The City will continue to evaluate grant opportunities as they arise and pursue them if they make sense.

Appendix A –
Council Meeting Materials

Park Development Funding Program

Parks and Buildings Planning

June 2019



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DRAFT

Executive Summary

In 2018 Council received the **Park Funding Report**, which presented several options to work towards keeping park development in pace with growth. Council directed staff to investigate, prepare, and report back on Option 2 of that report, including drafting:

- Parks development DCC
- Commercial/industrial parks DCC
- Linear parks acquisition DCC
- Reduction of the DCC taxation assist
- Infrastructure levy
- Parks revenues
- Shift from acquisition to development

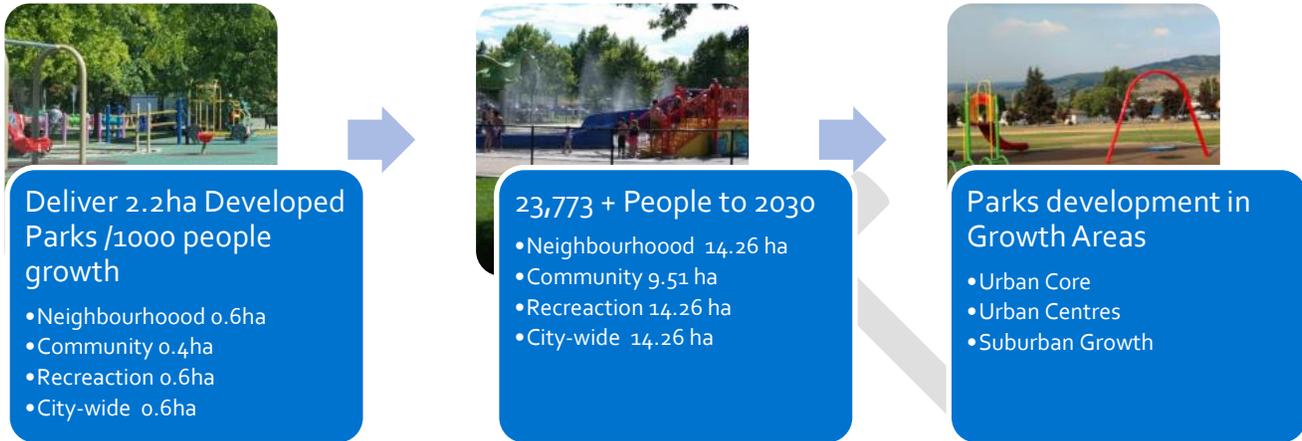
In addition, Council asked staff to review potential taxation capital funding shifts from parks acquisition funding to parks development funding; and engage with the public and key stakeholders on the above. This report delivers the results of the investigation.

The **Parks Development Funding Program** has been identified based on existing City policy and documents including the Park Development Report (May 2017), Park Funding Strategy (June 2018), Council Priorities 2019 – 2022, and the Official Community Plan, amongst several others.

Parks development costs **eligible for recovery** through DCC are set out in the Local Government Act and Best Practices Guide and they only include providing fencing, landscaping, drainage and irrigation, trails, restrooms, changing rooms and playground and playing field equipment on park land. The analysis identified the eligible and ineligible cost for each parks project.

Growth projections are based on the existing 20 Year Servicing Plan & Financing Strategy, and pro-rated for the remaining 10 years of growth from January 1, 2020 to January 1, 2030. This results in 10,806 equivalent units of growth (where one unit is equivalent to one single detached dwelling), and a population equivalent of 23,773 people.

The **projected amount of parks development needed to supply growth**, in accordance with the OCP Park Standard, in terms of hectare of land covered in park facilities is set out in the figure below:



Similar to Parks Acquisition DCCs, 100% of the Parks Development DCC Program is required to serve growth.

The City has acquired about **50 km** of **priority linear parks** over the years, and about **5.85 km** of additional corridor length still needs to be acquired to complete the corridors. Completion of these corridors will go a long way towards meeting the linear park needs of growth. The estimated cost to acquire these linear parks is just over **\$10 million**.

The estimated **costs to develop the parks** to meet the needs of growth over the next 10 years is about **\$120 million**. Because of the Municipal Assist amounts and significant portions that are not eligible for cost recovery through DCCs (e.g. parking lots, sport courts, baseball diamonds, tennis courts, artificial turf fields) about **\$77 million** can be recovered through DCCs and **\$43 million needs** to be provided by the City and paid through other means such as property taxation, including the Infrastructure Levy, and parks revenues.

The report presents three alternative implementation strategies for Council’s consideration. The strategies include **DCCs for various types of parks**, and each strategy is compared to each other and the existing park acquisition DCC in the table below. Under Model A, the resulting DCCs for a residential unit increases from the existing **\$7,142** per unit to **\$14,526**; under Model B the charges increase to **\$12,635**; and with Model C the rate starts at **\$11,384 in year 1** and rises to **\$14,526 by year 3**. Model B is paired with an acquisition of 5% parkland at subdivision, currently not undertaken by the City. Model D is a combined approach with both staggered implementation and the 5% Parkland Dedication. Under Model D the rate starts at **\$9,411 in year 1** and rises to **\$12,635 by year 3**.

		Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition							
Existing DCCs	<i>Neighbourhood</i>	✓	✓	X	✓	X	
	<i>Community</i>	✓	✓	✓	✓	✓	
	<i>Recreation</i>	✓	✓	✓	✓	✓	
	<i>City-wide</i>	✓	✓	✓	✓	✓	
New Linear Parkland Acquisition DCCs			✓	✓	✓	✓	
New Commercial/Industrial Acquisition DCCs			Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication			X	✓	X	✓	
Reduce taxation assist to 1% + 3.4%							✓
Total Acquisition DCCs (per residential unit)		\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development							
New DCCs	<i>Neighbourhood</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
	<i>Community</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
	<i>Recreation</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
	<i>Linear</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
	<i>City-wide</i>		✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs			✓	✓	✓	✓	
Reduce taxation assist to 1% + 3.4%							✓
Total Development DCCs (per residential unit)		\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)		\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645
Matching Revenue Sources							
Parks Program							
Total Parks DCC Revenues (per annum)		\$7,717,645	\$15,697,153	\$13,653,739	\$15,697,153	\$13,653,739	\$16,905,595
<i>Ineligible Parks Costs (per annum)</i>		\$0	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189
<i>Taxation assist (per annum)</i>		\$993,015	\$2,097,847	\$1,834,297	\$2,097,847	\$1,834,297	\$809,695
Subtotal- Matching Municipal Contribution (per annum)		\$993,015	\$5,394,036	\$5,130,486	\$5,394,036	\$5,130,486	\$4,105,884
Total Parks Program (per annum)		\$8,710,660	\$21,091,189	\$18,784,225	\$21,091,189	\$18,784,225	\$21,011,480
Municipal Revenues							
Taxation/Gas Tax (10-year capital plan) (per annum)		\$994,528	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173
Infrastructure Levy (27%) (per annum)		\$0	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000
Parkland Revenues (per annum)		\$0	\$453,500	\$453,500	\$453,500	\$453,500	\$453,500
Municipal revenues surplus (or deficit) (per annum)		\$1,512	\$13,637	\$277,187	\$13,637	\$277,187	\$1,301,789

Under these models the City funds required to pay for the municipal portion of the projects over 10 years range from about **\$4.1 million** to about **\$5.4 million per year**. These funds include the municipal tax assist and the park elements that are ineligible under legislation.

The **potential Parks DCC rates** range from **\$13.10 to \$26.28 per sq. m** for Commercial and Institutional uses. The potential Parks DCC rates for Industrial range from **\$9,770 to \$19,593 per hectare**.

The proposed **linear parks acquisition DCCs** will free up an estimated **\$4.6 million** of potential general revenue funds to transition from expenditures on parks acquisition to parks development over the next 10 years.

The **Infrastructure Levy** will generate additional revenues. A portion of the revenues, assumed to be 27% or **\$1,404,000 per year**, will be available for parks projects.

Parks revenues from parking revenues, cell tower leases, rental revenues and concessions could generate a total of **\$433,000 per year** for parks purposes.

It is important to note that, while the **existing Parks DCCs in Kelowna** are higher than other areas in the Valley, Kelowna does not collect the **5% parkland dedication**, which can be valued at between **\$8,500 and \$14,500 per lot in these other communities**. Furthermore, when compared with similar BC wide communities experiencing growth, Kelowna's proposed rates are comparable.

The **standards for parkland acquisition** and the actual amounts of parkland acquisition provided in Kelowna is somewhat lower than comparable communities, so it is important not to reduce the parkland acquisition standards for growth of **2.2. hectares per 1000 population**.

The collection of additional funding for parkland acquisition and development is of significant benefit to the City. It meets the objectives of Imagine Kelowna, which encourages the creation of a collaborative, smarter, connected, and responsible city that can be achieved through:

- Creating great public spaces that bring people together
- Providing opportunities for people of all ages, identifies, and abilities
- Strengthening the protection of our land, water, and resources
- Building healthy neighbourhoods that support a variety of household, income levels and life stages

Achieving these goals outlined in Imagine Kelowna by providing more parkland to serve a growing population and create vibrant communities in turn assists the City in achieving its overall mission to be "The Best Mid-Sized City in North America".

1. Project Background

The City of Kelowna is committed to providing parkland for public enjoyment and well-being, access to waterfront, creating sports amenities to promote active living, preserving natural open space for wild flora and fauna, and developing linear greenways throughout the City. Imagine Kelowna called to create great public spaces, grow vibrant urban centres, preserve Okanagan Lake as a shared resource, and build healthy neighbourhoods for all. The recently endorsed Council Priorities 2019-2022 identified measures to transform this vision into action. These include:

- Vibrant neighbourhoods by creating animated parks and public spaces, and developing accessible and multi-purpose amenities.
- Economic resiliency is also promoted through the reduction of the infrastructure deficit.

The accompanying Corporate Priorities also identify financial management through the increase of non-tax revenues, which this report specifically addresses.

With the rapid pace of growth through the City, park development has not kept pace with this growth, resulting in the delivery of parks not meeting the OCP policy of supplying 2.2ha of parks per 1000/person as the City grows. As a result, in 2018 Council received the Park Funding Report, which presented several options to work towards keeping park development in pace with growth. Council directed staff to investigate, prepare, and report back on Option 2 of that report, including drafting:

- Parks development DCC
- Commercial/industrial parks DCC
- Linear parks acquisition DCC
- Reduction of the DCC taxation assist
- Infrastructure levy
- Parks revenues
- Shift from acquisition to development

In addition, Council asked staff to review potential taxation capital funding shifts from parks acquisition funding to parks development funding; and engage with the public and key stakeholders on the above.

Option 2 from the Park Funding Report is highlighted in Table 1 below.

Table 1. Option 2 – Park Funding Report (2018)

Tool	Option 1	Option 2	Option 3	Option 4
Press forward				
Parks development DCC	\$3,422,000	\$3,422,000	\$3,422,000	\$3,422,000
Infrastructure Levy on General taxation (2% tax for Infrastructure)		\$426,000	\$426,000	\$426,000
Shift from acquisition to development		\$644,000	\$644,000	\$644,000
Commercial/Industrial parks development DCC	\$236,000	\$236,000	\$236,000	\$236,000
Potentially move forward				
Linear parks acquisition DCCs (linked to 'Shift from acquisition to development' above)		Included	Included	Included
Parcel taxation (for 5 years)			\$4,000,000	\$4,000,000
Consider and explore further				
Reduce parks acquisition and development DCC taxation assist from 8% to 1% (plus 3.3%)		\$284,000	\$284,000	\$284,000
Increase in Airport dividend				\$51,000
Community partnerships				\$25,000
Parks revenues		\$163,000	\$163,000	\$163,000
Total	\$3,658,000	\$5,145,000	\$9,195,000	\$9,316,000

2. Funding Program – Park Development DCC

Approach

The Parks Development Funding Program was prepared from a thorough assessment of anticipated growth, growth areas, current costs for development, and estimates based on master plans and typical base plans. Together this created the Park Servicing Schedule. The framework is informed by City policies and plans, based on background documents, and regulated by provincial legislation.

Principles of the Park Development Funding Program include the following:

- OCP Park Standard - Provide 2.2ha of Active Park per 1000 new population growth¹²
- Growth - Focus on areas of growth set forward in the 2030 OCP:
 - Suburban Growth Nodes
 - Urban Core
 - Urban Centres
- Current Rates – Use unit rates based on recent tender pricing.
- Master Plans and Typical Plans – Costs based on master plans and, where no master plan is available, a 'Typical Base Plan' for each park type.

These principles are largely informed and guided by:

- Park Development Report (2017)
- Park Funding Strategy (2018)
- Council Priorities, 2019 - 2022
- Official Community Plan, 2030
- Imagine Kelowna
- 20-Year Servicing Plan, 2030
- 10-Year Capital Plan
- Linear Park Master Plan
- Individual Parks Master Plans
- Park Acquisition Guidelines
- Area Structure Plans
- Park Agreements

Parks included in the DCC Program were those that follow the guiding principles for park delivery related to growth in the OCP and which also comply with the following criteria:

- Identified in the Park Development Report
- Located in the growth nodes identified in the 2030 OCP
- Align with the 2030 Servicing Plan

¹ City of Kelowna, 2011. OCP 2030, Parks Policies 7.12.1. Active Park Standard

² City of Kelowna, 2011, City of Kelowna Parkland Acquisition Guidelines

- Align with the 10-Year Capital Plan
- Identified as PARK in the 2030 OCP Future Land Use Map
- Include DCC Eligible Elements

Parks were not considered for inclusion in the program if they were not identified in the 2030 OCP's growth nodes or if they only have ineligible elements, such as lighting, bleachers, and artificial turf surfacing.

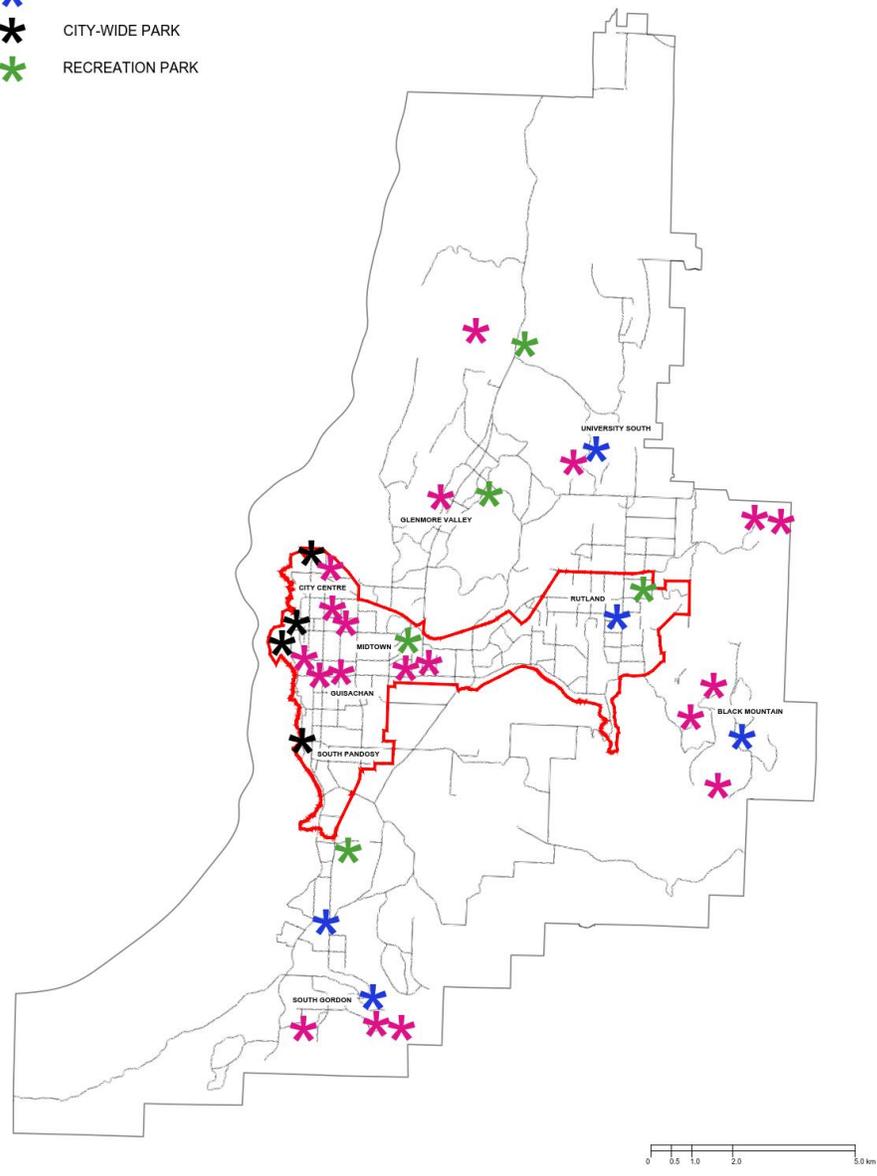
It is acknowledged that there are parks that are not located in growth nodes that are underdeveloped or undeveloped, and/or are in need of renewal. These were not included in the program, and as such will require funding sources outside of a Parks Development DCC Program to be achieved.

A map shown in Figure 2.1 shows the locations for the neighbourhood, community, recreation and city wide parks identified for future development.

DRAFT

LEGEND

-  URBAN CORE BOUNDARY
-  NEIGHBOURHOOD PARK
-  COMMUNITY PARK
-  CITY-WIDE PARK
-  RECREATION PARK



PARKS DEVELOPMENT DCC	PROPOSED PARKS INCLUDED IN PROGRAM	2019.05.17	1:25,000
Project	Drawing Title	Date	Scale

Figure 2.1 – Map of Proposed Park Locations and Types

Park Standard Elements

Eligible park elements are dictated by provincial legislation, intended to include basic park elements only, and only those that are accessible by the majority of the population (not exclusive groups). Eligible and ineligible elements are noted in Figure 6 below.

In 1995 the provincial government amended the Local Government Act to facilitate Development Cost Charges for Park Development, in addition to acquisition. The legislation is specific as to what elements may be included, to ensure only a basic level of park is included. This specification is absent in the legislation for other DCC infrastructure types, such as roads and sewer.

The Local Government Act (LGA) section 559 (2)(b) states that DCCs can be imposed to provide funds to assist local governments to pay capital costs of:

“providing and improving park land”.

Then LGA section 566 (2)(b)(ii) states that the money in DCC reserve funds together with interest on it may be used only for the following, and it goes on to list a number of items including:

“providing fencing, landscaping, drainage and irrigation, trails, restrooms, changing rooms and playground and playing field equipment on park land,”.

This was further elaborated upon by a circular from the Inspector of Municipalities in 1997. This circular stated that the Inspector will apply a very narrow interpretation of the legislation. ‘The government, as illustrated by comments made in introducing the legislation, intended that the increase in DCC resulting from the addition of expenditures to improve parkland would not be significant. For this reason, the allowable park land improvements were specifically listed, and deliberately excluded many elements that are usually present in most developed parks.’³

The following comments were offered in the circular as an illustration of what will guide reviews of submissions to the Inspector of Municipalities:

- “Landscaping includes the construction of playing fields (levelling ground, planting grass and other plant material), but does not include the construction of parking lots or access roads.
- Irrigation includes sprinkler systems.
- Playground and playing field equipment include items normally classified as equipment such as swings and slides, but does not include buildings or structures such as dugouts, bleachers, or field houses. The term also does not include the construction of tennis or basketball courts, baseball diamonds, tracks or the installation of lighting systems.”

The Ministry has noted that eligible improvements are those that typically serve the entire community. Parkland improvements that serve a more limited demographic such as basketball courts, tennis courts, artificial turf sports fields or baseball dugouts are not eligible.

Through working with the Ministry over the years to interpret the legislation and the circular, the following items have been identified as Eligible and Ineligible.

³ Province of BC, 1997. Circular No. 97:04. Re: Parkland Development Cost Charges

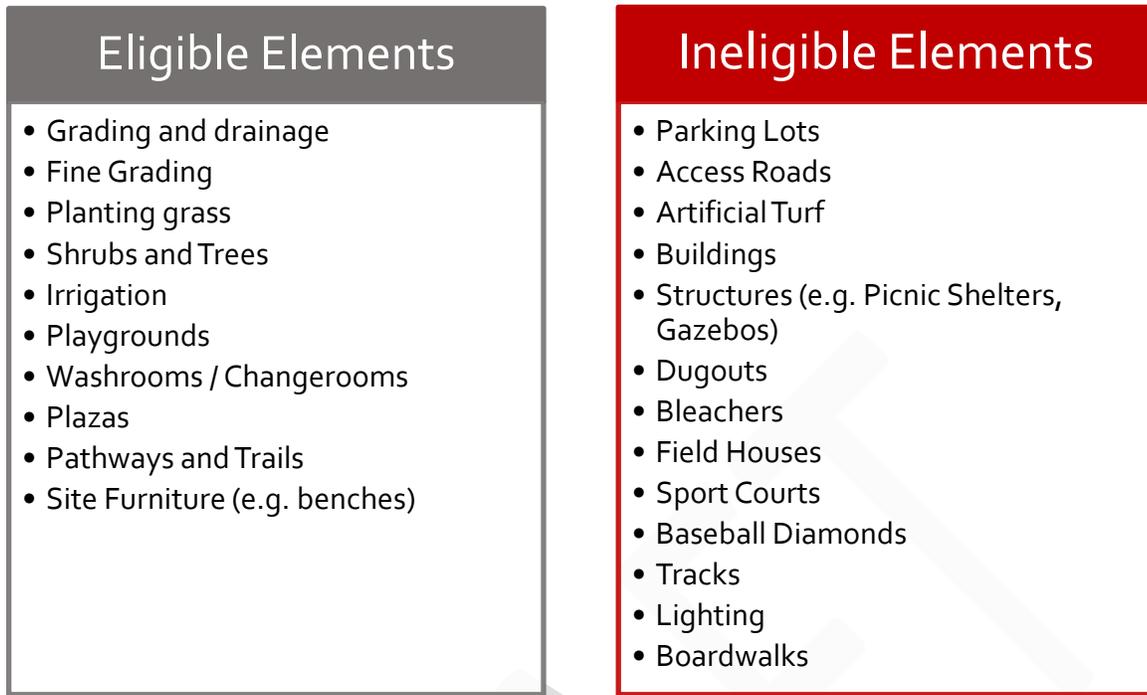


Figure 2.2. DCC Eligible Items

Calculation of Costs

Through the Park Servicing Schedule, each park of the program was assessed, and a specific cost estimate created based on unit rates from recent projects. Most of the City-wide and Recreation park projects within the Schedule are guided by a master plan; whereas most of the Neighbourhood and Community parks are not. In order to accurately capture costs for parks that have no master plan, a 'Typical' park costing template was created for the following park types: Neighbourhood Park – Urban Core, Neighbourhood Park – Suburban, Community Park – Urban Core, and Community Park – Suburban. Based on area percentages for the various typical amenities within a park, the template allows each park to be costed to Class D accuracy, using the total park area. A description of the 'Typical' parks are as follows:



Figure 2.3 . Typical Parks Amenities

Park Elements

In some cases, a master plan has not yet been prepared. For these parks, a typical base park was used, with typical ratios and elements for each active park type. The figures that follow illustrate elements of Neighbourhood, Community, Recreation and City-wide parks. They also show items that are eligible for cost recovery through DCCs and those that are not eligible. The items that are not eligible for cost recovery through DCCs are shown in the second version of each park plan with a red overlay labelled with the name of the ineligible component. These are illustrated in the following figures.

The images illustrate the eligible and ineligible components.



Figure 2.4 - Neighbourhood Parks Eligible and Ineligible Items



DEHART COMMUNITY PARK | OVERALL CONCEPT



Not Included in Program

- Sport courts
- Bike park
- Parking
- Park lighting
- Public Art
- Off-site requirements

DEHART COMMUNITY PARK | DCC ELIGIBLE ITEMS

Figure 2.5 - Community Parks Eligible and Ineligible Items



Figure 2.6 - Recreation Parks Eligible and Ineligible Items

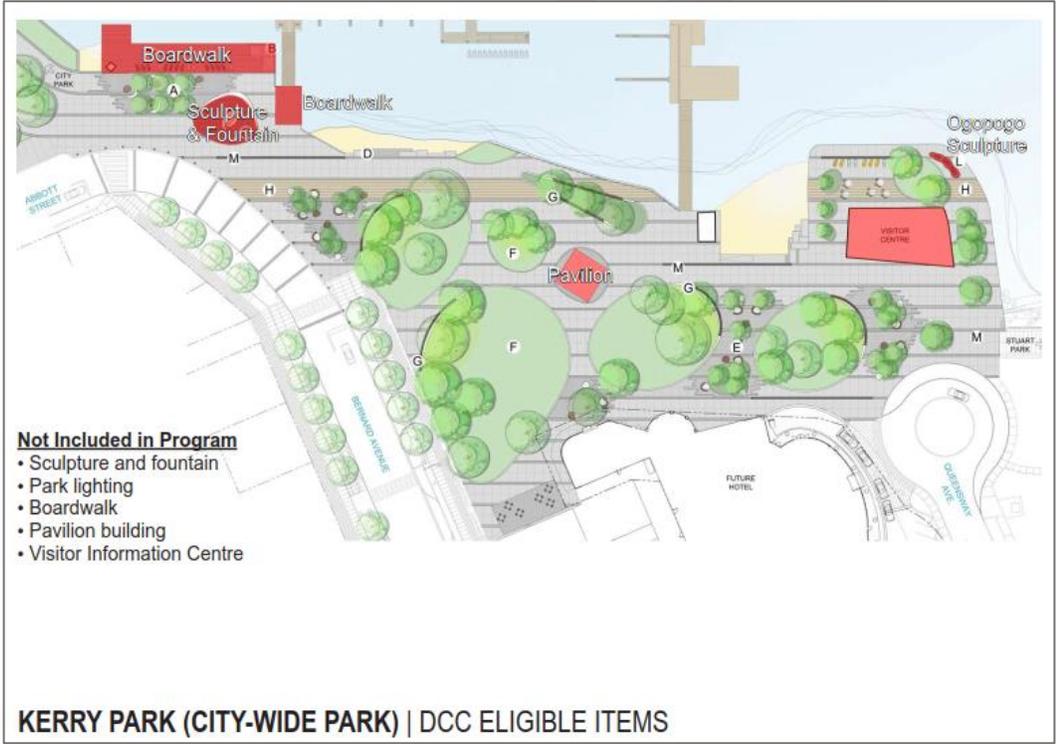


Figure 2.7 - City-Wide Park Eligible and Ineligible Items

3. DCC Key Elements

Growth assumptions

The projections assume the growth period will be from January 1, 2020 to January 1, 2030 which is a period of 10 years. The projected growth period is set to match the timeline of the 2030 Servicing Plan. Since a new OCP and new growth projections have not yet been completed, we will rely on the 2030 servicing plan for the growth projections. The growth projections and number of units in this report were used for the most recent update of the DCC rates in February 2019.

As we move to consider a new parks development DCC, we are introducing new costs half way through the 20 year projection period, so we will need to adjust the growth units to account for being half way through the period. For parks projects we are identifying a 10-year period of parks to deal with 10 years of growth. We cannot take 10 years of park development and divide by the 20 years of growth set out in the 20 Year Servicing Plan. As a result, we will take 10 years of growth-related parks projects and divide by 10 of the 20 years of the growth set out in the 20 Year servicing plan.

City wide growth in terms of equivalent units as set out in the 20 Year Servicing Plan & Financing Strategy, and the pro-rated 10 years of growth are set out in the table below.

Table 3.1 - Equivalent Units based on 20 Year Servicing Plan

	20 years	10 years
Residential 1	7,140	3570.0
Residential 2	678	339.0
Residential 3	8,089	4044.5
Residential 4	2,670	1335.0
Residential 5	480	240.0
Secondary Suites	895	447.5
Commercial	1,242	621.0
Institutional	282	141.0
Industrial	136	68.0
Total	21,612	10,806

The figures are based on the units projected for the Parks Acquisition service. Some of the other services, such as water, had lower figures and the City water system does not service the entire City, but parks acquisition serves the entire City. However, parks acquisition projections did not include Commercial, Industrial or Institutional units, as these were not charged a parks acquisition DCC. To quantify the Commercial, Industrial and Institutional units, this table relies on units from sewer trunks and treatment services. This is based on the assumption that the vast majority of these units will be provided with sewer services, so these figures would capture the vast majority of units that will benefit from parks development.

The 20 year servicing Plan notes that the average population per household for the plan has been estimated at 2.2 persons per household. Single family households have been estimated to contain an average of 2.8 persons per household, while high density households have an estimated household population of 1.5 persons per household. For the parks acquisition DCC the Plan notes that: "The impact for parkland requirements is

considered to be the same for each residential category. Although there could be an argument to use a different parkland rate for the different residential categories based on density it is also true that parkland requirements in multi-family areas are more expensive than in single family areas.” in order to stay consistent with the 20 Year Servicing plan, the analysis uses the average persons per household of 2.2.

10,806 Equivalent Units x 2.2 persons per unit = **23,773** people

The 23,773 people translates into demand for development as set out in Table 3.2.

Table 3.2 - Developed Parkland Demand

Park type	Developed Hectares required per 1000 people	1000's of people	Developed Hectares required
Neighbourhood	0.6 hectares	23.773	14.26
Community	0.4 hectares	23.773	9.51
Recreation	0.6 hectares	23.773	14.26
City-wide	0.6 hectares	23.773	14.26

Benefit Allocation

The benefit allocation is the proportion of a project that is required to service growth. With some infrastructure components, such as a water line, part of the reason for the project may be to serve existing users (such as replacing an aging water line or pump), and part of the reason may be for growth such as ensuring that when the line is replaced, it is large enough to accommodate growth. Other projects are required only for growth, since the project is not required if growth does not occur. Under the current parks acquisition program, 100% of the costs are allocated to growth because the only reason to acquire the additional land is to provide parkland for new people based on servicing only the projected population growth with the park standard. The existing Official Community Plan sets out the standard for parkland acquisition required to serve growth as set out in Table 3.3.

Table 3.3 - Official Community Plan Parkland Acquisition Standards

Park type	Hectares required per 1000 people
Neighbourhood	0.6 hectares
Community	0.4 hectares
Recreation	0.6 hectares
City-wide	0.6 hectares
Total	2.2 hectares

In total the Parks Acquisition DCC aims to collect enough money to buy 2.2. hectares of land for every 1000 people (or equivalent) who move to Kelowna. Similarly, the Parks Development DCC will aim to develop 2.2 hectares of area per 1000 people. The Parks Development DCC will collect money that will be used to develop parkland. The development will be in the form of the eligible items which includes:

- Landscaping
- Grading
- Planting grass

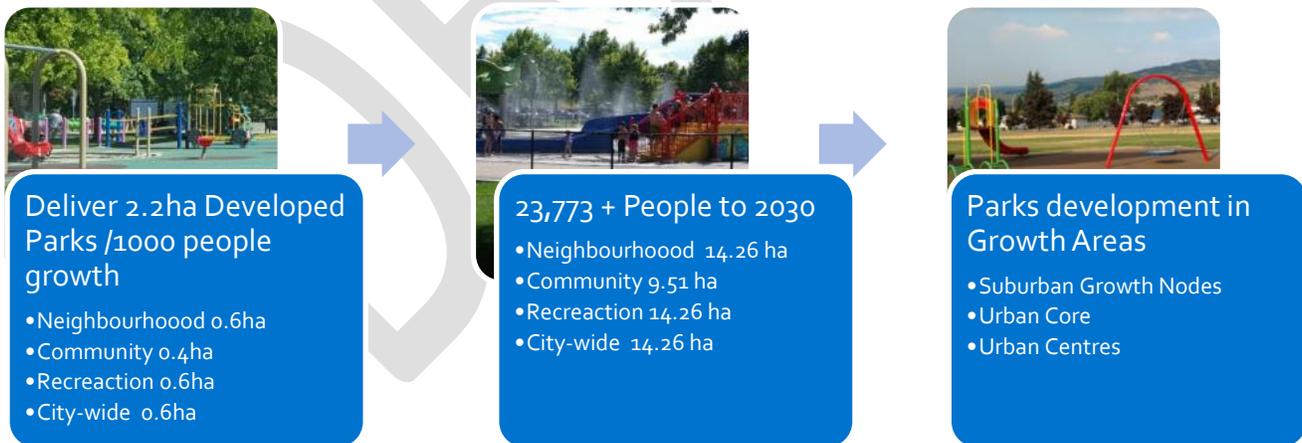
- Shrubs and Trees
- Irrigation
- Playground Equipment
- Washrooms/Changerooms
- Plazas
- Trails
- Site Furnishings (e.g. benches)

The amount of development required will be the same as the amount of land required. For example, the Neighbourhood Parks Acquisition DCC collects 0.6 hectares of vacant land for every 1000 people. The Neighbourhood Parks Development DCC will develop 0.6 hectares of land with landscaping, grading, grass, shrubs, trees, irrigation, etc. for every 1000 people.

The amount of projected parks development required to serve growth, by type is calculated in Table 3.4 based on the City’s park standards set out in the OCP.

Table 3.4 - Projected Parks Development Required to Service Population Growth Over 10 Years

Park type	Developed Hectares required per 1000 people	1000's of people	Developed Hectares required
Neighbourhood	0.6 hectares	23.773	14.26
Community	0.4 hectares	23.773	9.51
Recreation	0.6 hectares	23.773	14.26
City-wide	0.6 hectares	23.773	14.26



The park development program, which is discussed further in the DCC Rates section, identifies the amount of Parkland to be developed under each category. The parks development program has been adjusted to ensure that the amount of park development identified is very close, but slightly under, the amount required for

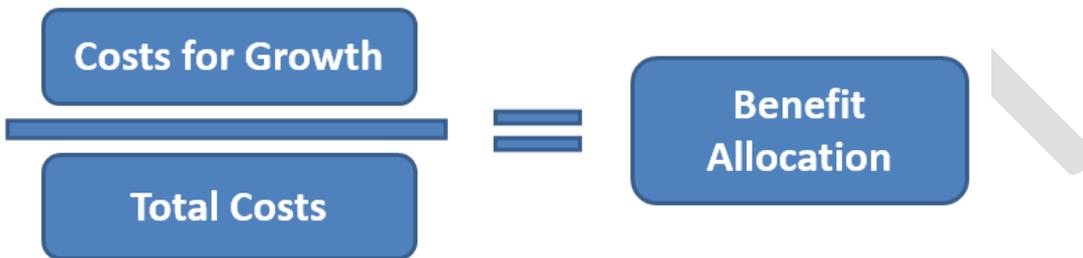
growth. In this case 100% of the park development is required for growth. The allocation to growth was tested two ways:

- On an area basis: is 100% of the area of park to be developed required for growth?
- On a cost basis: is 100% of the cost to develop the park required for growth?

To test the Cost basis, the benefit allocation is determined by taking a number of steps:

1. Identify the eligible development costs for the entire program of a specific type (e.g. city wide parks)
2. Determine the average cost per hectare to develop the park
3. Identify the amount of park development required to serve growth
4. Calculate the cost to serve growth
5. Divide the cost to serve growth by the total cost.

In essence, the formula to determine the benefit allocation for parks development is:



Note that the average cost per hectare to develop a park is based on the specific different types of parks. The cost to develop a Recreation park differs from the cost for a Neighbourhood park. The following parks were used to develop a cost per hectare:

- Neighbourhood – used the average of two parks:
 - Typical Urban Neighbourhood
 - Typical Suburban Neighbourhood
- Community Park – used the average of two parks:
 - Typical Urban Community Park
 - Typical Suburban Community Park
- Typical Recreation Park
- Typical City Wide park: no typical park used since they are all quite different, in this case utilized the average cost per hectare of all parks

In all cases, the calculation results in a benefit allocation percentage that is 100% or higher. If the amount was higher than 100%, then the 100% figure was utilized. The benefit allocation by park type is set out in Table 3-5.

Table 3.5. Benefit Allocation by Park Type

Park type	Benefit Allocation to Growth
Neighbourhood	100%
Community	100%
Recreation	100%
City-wide	100%

Assist Factor

The municipal assist factor is the amount that the municipality ‘assists’ in paying for costs that are allocated to developers to pay for growth. The Local Government Act requires an assist amount, but it can be set as low as 1%. In terms of the assist factors used for the DCC programs, Kelowna has one of the higher assist factors for the Parks DCC programs compared to other municipalities (see the table 3.6 below).

Table 3.6 - Comparison of Parks DCC Assist Factors

Community	Parks DCC Assist
Kelowna	8% (plus 3.4% for secondary suites)
Surrey	5%
Richmond	1%
Kamloops	1%
Langley	1%
Chilliwack	10%
Abbotsford	5%

As part of Option 2, Council directed staff to investigate reducing the Parks Acquisition DCC assist from 8% to 5% or even 1%. For example, a reduction in the Parks DCC assist from 8% to 5% would generate approximately \$1.66 million in additional revenue over 10 years based on the existing parks acquisition DCC and amounts set out in the 20 year servicing plan. The result would be about \$3.86 million if the assist is reduced from 8% to 1%. This is something for the City to consider moving forward as reducing the municipal assist would allow for more funds to be generated by DCCs for Parks projects.

The Ministry does not allow a different assist for parks development compared to parks acquisition. The assist factor for parkland development needs to be kept the same as the existing assist for parkland acquisition. At this time therefore, the assist will be retained at 8% + 3.4% to be consistent with the Parks Acquisition DCC assist factor. A reduction in the assist amount could be considered later when the complete update to all of the DCCs is undertaken, after the new Official Community Plan is adopted with new growth projections. If the assist for parks development was set at 5% or 1%, then the assist for parks acquisition would also need to be revised, which would constitute a major DCC update along with consultation, and approval by the Ministry. Since the City just completed a DCC update, it would be more efficient to leave the assist factor for Parks at 8% until the next major update.

4. Commercial and Industrial Parkland Acquisition & Development DCCs

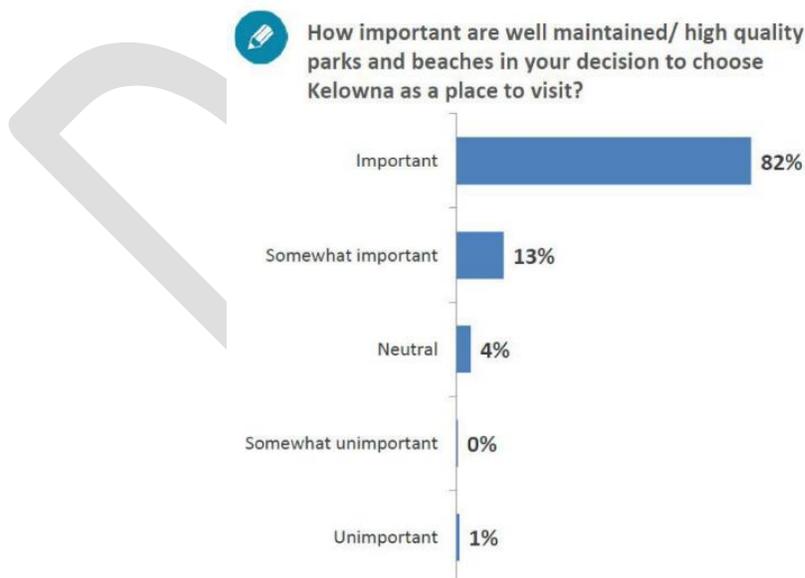
Introduction

Historically the City has not charged Park Acquisition Development Cost Charges for commercial and industrial properties. As Kelowna becomes more and more of a regional retail and employment hub, it is evident that these land uses put an increased demand on park space and use. The City could apply a Parks Acquisition and Development DCC to these uses.

We know our municipal parks, and particularly our waterfront parks, linear trails and recreational sports, are a major draw for visitors to Kelowna. This has great benefit to our commercial sector, but puts a significant additional demand on our park system. However, other than through property taxes on commercial properties, there is currently no direct funding link between visitors and parks acquisition and development costs. Similarly, employees from outside the City also utilize our parks, supporting their work/life balance.

As the City grows into a regional urban center, the use and benefits of parkland for employees and customers is becoming more recognized, along with the risks of not acquiring parkland in the City Core.

- **Regional Centre** - As a regional employment and commercial center, many park users are not residents of the City. The growth of this park use is not reflected in the current park acquisition DCC.
- **Daytime Park Use** - As the City Core becomes more densely urbanized, parks are used more and more for the employee population, as well as the resident population, during lunch and coffee breaks.
- **Visitor Use.** Many visitors to the City make use of our parks during their visits to Kelowna, with 95% reporting that high quality parks and beaches was important or somewhat important in their decision to choose Kelowna as a place to visit⁴.



Other Urban Centres - Trends from other metropolitan areas recognize and are establishing strategies for the strain that the employment population adds to that of the residential population, especially in densely

⁴ Tourism Kelowna. 2016 Visitor Intercept Survey.

populated urban areas⁵. For example, Toronto has documented and mapped by neighbourhood the additional strain that their employment population puts on parks in addition to resident populations, often in areas that are already park deficient.

These impacts are not captured by only having residential development pay for a Parks DCC, and therefore following the principle of 'the user pays,' Option 2 identified an option to include Commercial & Industrial Park Acquisition & development DCCs.

Similar to DCCs applied for other forms of infrastructure, any Parks DCC would be applied based on the square metres of new floor area of commercial development, and the hectares of Industrial development.

Types of Commercial / Industrial Parks DCCs

There are two components of the Commercial/Industrial Parks DCC that could be considered:

- Parks Acquisition DCC
- Parks Development DCC

The creation of a Parks Acquisition DCC that applies to commercial/industrial developments would spread the cost amongst more development units, reducing the charges per residential unit. This could in turn free up room for a Parks Development DCC on residential units. However, the Parks Acquisition DCC has been recently updated with new park acquisition costs and revising the existing acquisition to include charges on commercial and industrial uses would constitute a major DCC update. The City will therefore consider applying the Parks Acquisition DCC to Commercial and Industrial growth as part of the next major update, after the OCP is adopted.

A Parks Development DCC that applies to commercial/industrial units would similarly spread the parkland development costs over a larger number of equivalent units, meaning lower charges per unit for Residential DCCs, or considered another way, the commercial/industrial development would shoulder some of the cost of the revenue required. The Parks Development DCC for commercial and Industrial development is being considered at this time.

Advantage of Commercial / Industrial Parks DCCs

Implementing a Parks DCC for Commercial and Industrial development would provide value to these types of businesses through additional parkland, a major benefit for employees and customers, including tourists in Kelowna. If more parks are provided in the City, this will enhance the appeal of visiting or working in Kelowna, which in turn increases the number of customers shopping at commercial businesses and employee satisfaction.

⁵ City of Toronto, 2017. Parkland Strategy – Growing Toronto Parkland Preliminary Report – Primer.

5. Linear Park Acquisition DCCs

Linear parks are an important part of the park system which are popular with both residents and visitors, and provide pedestrian links between larger park amenities: the 'green necklace'. However other priorities have reduced capital funding available for linear park acquisition in recent years, and it would require many years to complete the top priorities, based on current rates for the past five years.

Based on the previous Council direction, staff have prepared a draft Linear Park Acquisition DCC. The approach framework is based on the six priority linear park trail systems in the OCP. Calculations were based on the remaining kilometres to be acquired. The priorities for linear parks are as follows:

- Waterfront Walkway
- Rails with Trails (Okanagan Rail Trail)
- Mill Creek
- Bellevue Creek
- Gopher Creek
- Mission Creek – Lakeshore to the Lake

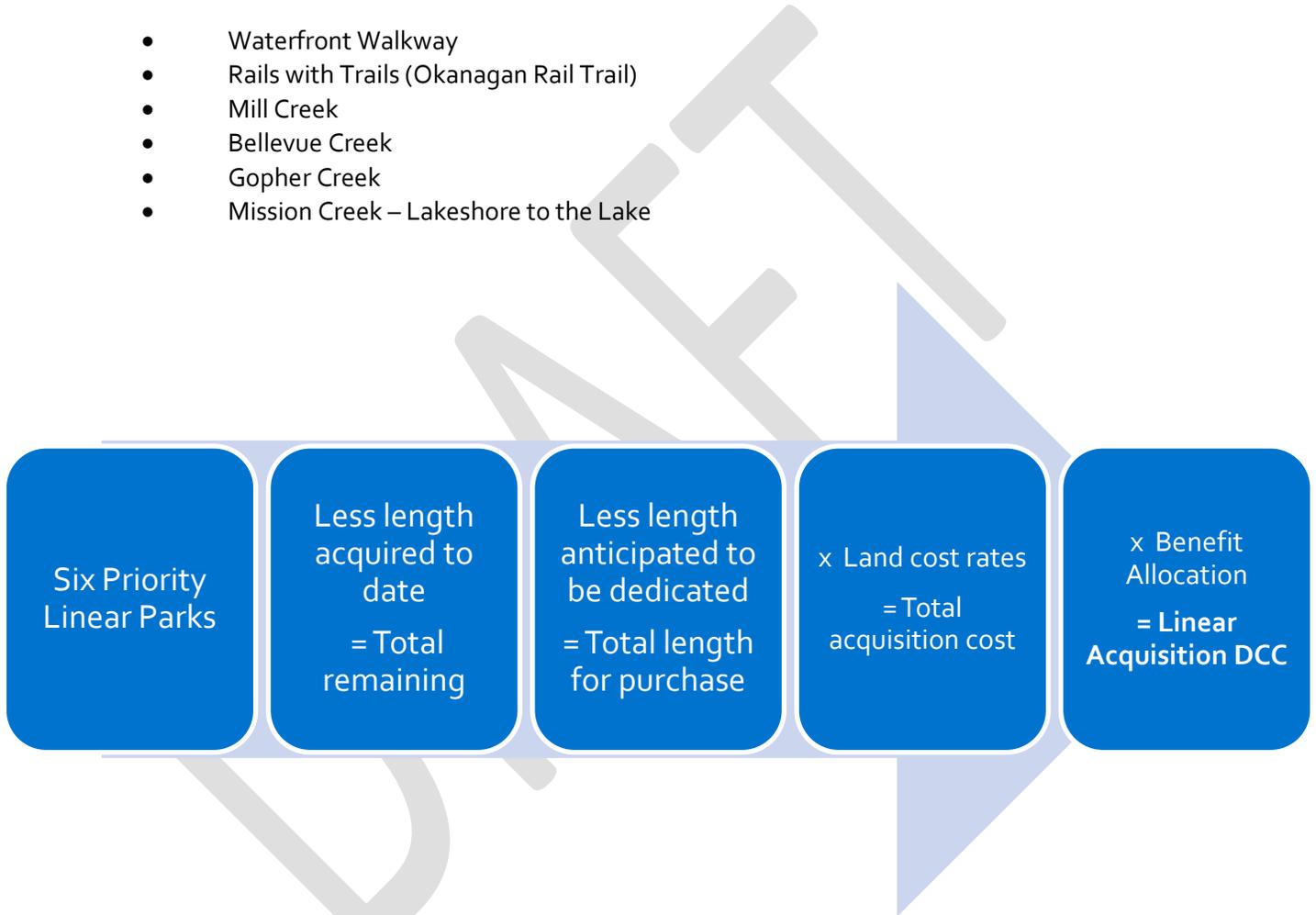


Figure 5.1 - Steps for Determining Linear Parks Acquisition DCC Program

Figures outlining the extent of each linear park that is included in the Linear Parks Acquisition DCC Program are provided on the following pages.

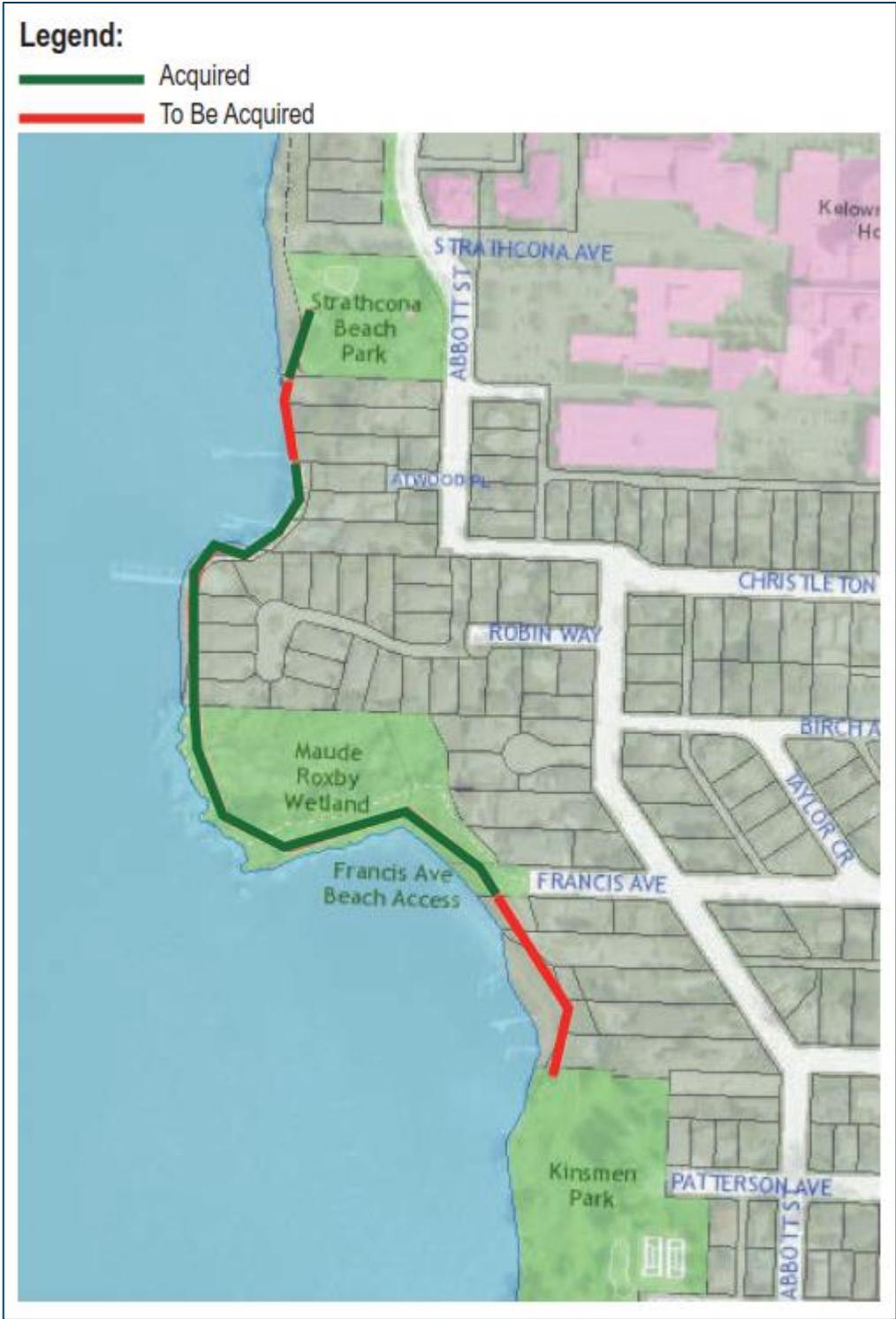


Figure 5.2 - Waterfront Walkway A – Strathcona Park to Kinsmen Park



Figure 5.3 - Waterfront Walkway B – Rotary Beach to Truswell Property



Figure 5.4 - Mission Creek Walkway - Lakeshore to Okanagan Lake

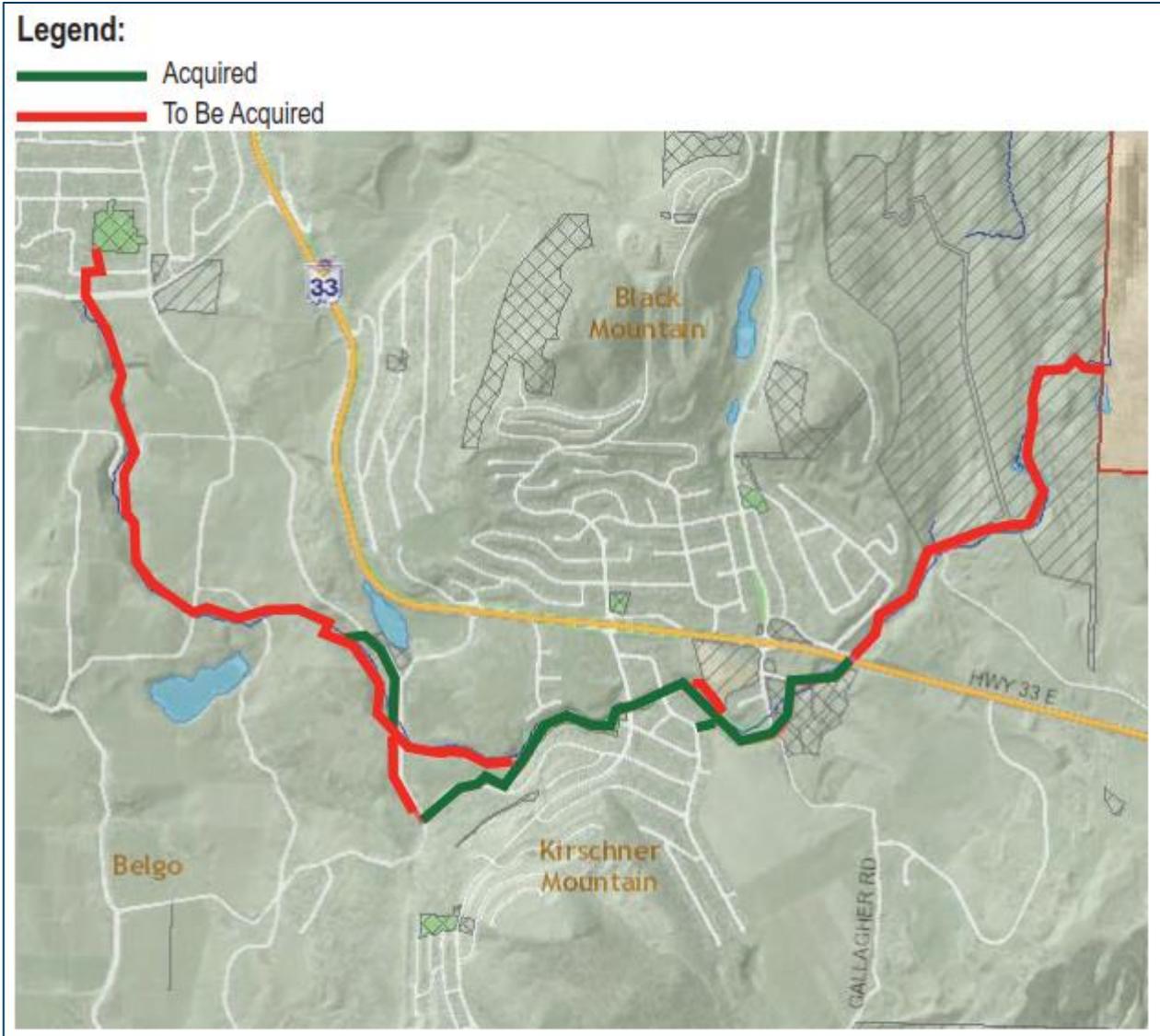


Figure 5.5 - Gopher Creek

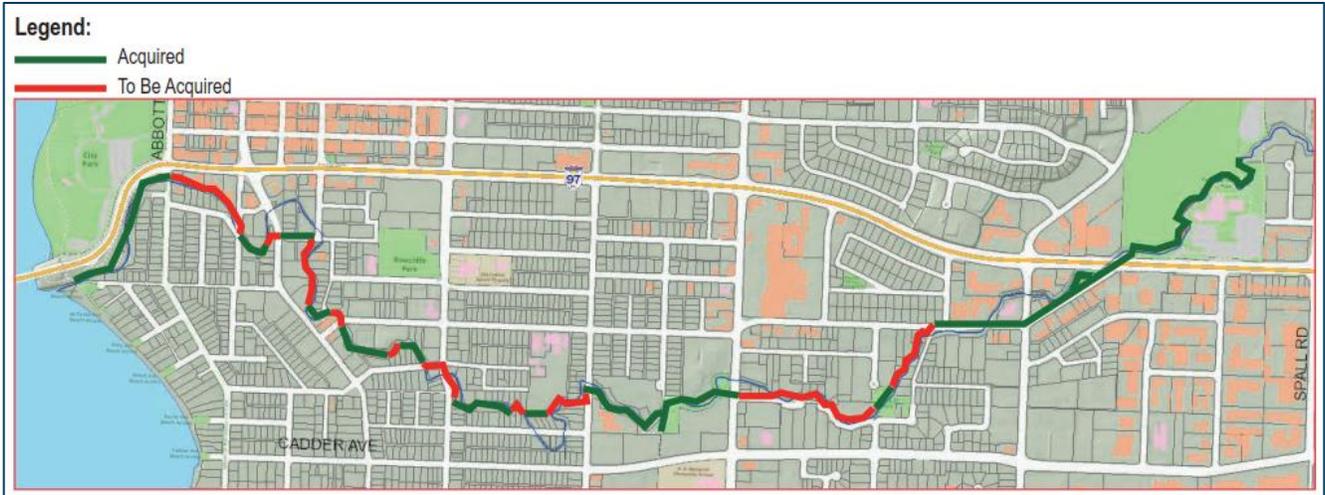


Figure 5.6 - Mill Creek – Parkinson Rec to Okanagan Lake

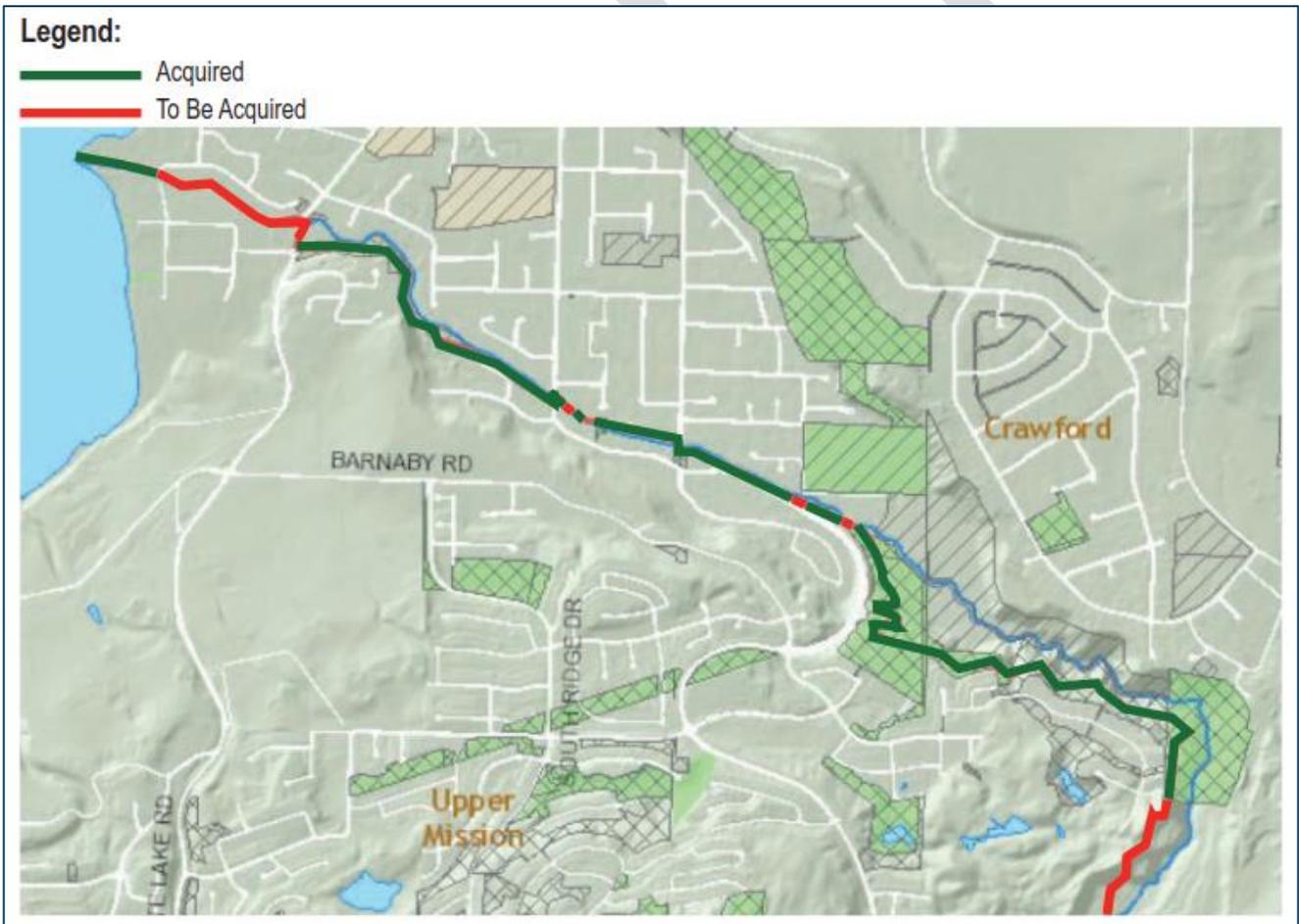


Figure 5.7 - Bellevue Creek

Portions of the remaining lengths are anticipated to be dedicated as a result of future rezoning and are therefore not included in the acquisition costs. An acquisition area is calculated assuming a corridor width of 15m. The acquisition costs are then calculated using typical land values, and assuming either outright purchase or a Statutory Right of Way (SROW).

Table 5.1 below shows the remaining priority linear parks assumed to be dedicated, remaining to be acquired (outright or SROW), the associated area, the land value, based on the type of land in the area, and the acquisition cost. These values have been calculated based on 2019 general averaged assessed values and are subject to change.

Table 5.1 - Linear Parks Acquisition Breakdown

Priority Linear Park	Length (m)	Area (m2)	Market Value (\$/m2)	Land Type	Acquisition Type	Subtotal Acquisition	Total Acquisition
Mission Creek Greenway							\$0
	89	1335	\$1,079.26	Commercial	Dedication (100% discount)	\$0	
Waterfront Walkway (A)							\$2,265,792
	94	1410	\$1,606.94	Res-Waterfront	Purchase (100% market value)	\$2,265,792	
Waterfront Walkway (B)							\$843,646
	175	2625	\$1,079.26	Commercial	Dedication (100% discount)	\$0	
	35	525	\$1,606.94	Res-Waterfront	Purchase (100% market value)	\$843,646	
Gopher Creek							\$2,745,610
	2963	44445	\$32.30	Agricultural	SROW (50% discount)	\$717,691	
	260	3900	\$519.98	Res-Rural	Purchase (100% market value)	\$2,027,919	
	572	8580		Road		\$0	
Mill Creek							\$2,191,704
	78	1170	\$1,024.97	Res-Central (S2Res)	Dedication (100% discount)	\$0	
	100	1500	\$1,024.97	Res-Central (S2Res)	Purchase (100% market value)	\$1,537,452	
	475	7125	\$889.38	Multi-family	Dedication (100% discount)	\$0	
	40	600	\$889.38	Multi-family	Purchase (100% market value)	\$533,628	
	216	3240	\$1,079.26	Commercial	Dedication (100% discount)	\$0	
	177	2655	\$392.69	Industrial	Dedication (100% discount)	\$0	
	498	7470	\$32.30	Agricultural	SROW (50% discount)	\$120,624	
Bellevue Creek Phase 1+2							\$1,068,557
	137	2055	\$519.98	Res-Suburban	Purchase (100% market value)	\$1,068,557	
Total	5909	88635				\$9,115,309	\$9,115,309

The table above shows that cost to acquire the Priority Linear parks is \$9,115,309.

The Priority Linear Parks have been identified by policy. In order to calculate development cost charges, we need to identify the amount of linear parks required to serve growth. The city does not have specific direction set out in a document such as the OCP that identifies the amount of linear park required per 1000 population.

In order to identify the amount required for growth, we can examine how much has been acquired for the current population, and use the same acquisition rate moving forward. The table below sets out the total lengths of linear the corridors and the amounts already acquired.

Table 5.2 Priority Linear Parks Acquired

Priority Linear Parks	Total Corridor Length (km)	Acquired by City (km)
Mission Creek Greenway	16.5	15.2
Rail Trail (UBCO to downtown)	20.0	20.0
Waterfront Walkway	1.0	0.8
Gopher Creek	8.5	1.0
Mill Creek - Parkinson Rec to Okanagan Lake	19.0	7.6
Bellevue Creek - Phase 1 and 2	13.0	5.5
Total	78.0	50.1

The City has acquired 50.1 km of trails for the current population of 131, 600. The table below shows that this means going forward at the same rate the city needs to acquire 9.05 km to service the expected growth over the next 10 years.

Table 5.3 - Linear Parks Length Required to Support Growth

Population City of Kelowna	131,600
Length acquired to date	50.1 km
Length acquired per 1000 people	0.38 km/1000
Population growth in Equivalent units - 10 years	23,773
Proposed length required to support growth	9.05 km

The 9.05 km, or 9050 metres, exceeds the 5909 metres of linear park identified to be acquired as set out in table 10 above. In other words, every metre of this linear parkland is required to support growth since the City is acquiring even less linear parks than is required over the next 10 years. Hence a Benefit Factor of 100% can be ascribed to linear parks acquisition costs serving growth.

6. DCC Projects and Costs

The parks development projects and costs are set out in the tables below for the following types of parks:

- Neighbourhood
- Community
- Recreation
- City-wide

For each category of park, the table sets out the following information:

- The name of the park
- The area in hectares - this is the area of the park that is being covered with development. The entire park may be larger than the area noted, but this is the area actually being developed for the project. This is important to note, because this is the figure that contributes to meeting the amount of park development required per 1000 people of growth.
- The total construction cost – this is the total cost before subtracting any ineligible components, benefit allocation percentages, or assist factors.
- Ineligible construction cost. – this is the cost of components that cannot be recovered through DCCs. It includes the items noted in section 2 including items such as parking lots, access roads, artificial turf, buildings and sport courts.
- Eligible construction cost – this is the cost of components that can be recovered through DCCs as defined by the Local Government Act
- Benefit allocation percentage – this is the percentage of the Eligible construction costs that can be allocated to growth. The derivation of this benefit allocation is explained in section 3.
- DCC eligible cost (before applying assist factor) – this is the portion of the eligible cost that can be recovered through DCCs, after application of the benefit allocation, but before applying the assist factor. This is the amount used in the calculation of the DCC rates.

Samples of the Project sheets used to calculate the costs for each park are set out in Appendix A

Table 6.1 - NEIGHBOURHOOD PARK DEVELOPMENT

Park Name	Area (Ha)	Total Construction Cost	Ineligible Construction Cost	Eligible Construction Cost	Benefit Allocation Percentage	DCC Eligible Cost (before applying assist factor)
Ballou Park	1.30	\$1,723,081	\$52,577	\$1,670,504	100%	\$1,670,504
Martin Park	0.60	\$1,544,814	\$165,040	\$1,379,773	100%	\$1,379,773
Walrod Park	0.98	\$1,971,995	\$542,222	\$1,429,773	100%	\$1,429,773
Landmark Urban Centre Park	1.20	\$3,151,991	\$242,700	\$2,909,291	100%	\$2,909,291
Burne Avenue Park	0.60	\$1,986,956	\$557,183	\$1,429,773	100%	\$1,429,773
Tower Ranch Park #1	0.20	\$630,737	\$0	\$630,737	100%	\$630,737
Tower Ranch Park #2	0.60	\$1,004,552	\$0	\$1,004,552	100%	\$1,004,552
The Ponds Park #1	0.60	\$1,004,552	\$0	\$1,004,552	100%	\$1,004,552
The Ponds Park #2	0.60	\$1,004,552	\$0	\$1,004,552	100%	\$1,004,552
Kirschner Park #1	0.85	\$1,244,178	\$0	\$1,244,178	100%	\$1,244,178
Wilson Avenue Park	0.35	\$1,712,554	\$512,163	\$1,200,391	100%	\$1,200,391
Prospect at Black Mountain	0.04	\$467,791	\$0	\$467,791	100%	\$467,791
Elliot Avenue Park	0.35	\$1,524,855	\$324,464	\$1,200,391	100%	\$1,200,391
Marshall Street Park	0.28	\$1,134,786	\$165,622	\$969,164	100%	\$969,164
Wilden - Landrover Park	0.25	\$669,077	\$0	\$669,077	100%	\$669,077
University South Park #2	0.70	\$1,133,650	\$33,247	\$1,100,403	100%	\$1,100,403
Fraser Lake Park	0.60	\$1,199,552	\$0	\$1,199,552	100%	\$1,199,552
Band Road Park	0.80	\$1,317,344	\$121,091	\$1,196,253	100%	\$1,196,253
Ritchie Brook Park	1.50	\$3,254,299	\$108,750	\$3,145,549	100%	\$3,145,549
TOTAL	12.40	\$27,681,316	\$2,825,058	\$24,856,258		\$24,856,258

Table 6.2 - COMMUNITY PARK DEVELOPMENT

Park Name	Area (Ha)	Total Construction Cost	Ineligible Construction Cost	Eligible Construction Cost	Benefit Allocation Percentage	DCC Eligible Cost (before applying assist factor)
Dehart Park	3.9	\$10,060,962	\$1,832,248	\$8,228,714	100%	\$8,228,714
Gallagher Park (Black Mountain)	2.5	\$8,794,833	\$2,367,345	\$6,427,488	100%	\$6,427,488
University South Park #1	2.0	\$6,924,606	\$1,238,431	\$5,686,175	100%	\$5,686,175
Rutland Centennial Park - Phase 4	0.8	\$2,678,881	\$935,908	\$1,742,973	100%	\$1,742,973
Ponds Community Park - Sports Field	1.0	\$989,263	\$151,670	\$837,593	100%	\$837,593
TOTAL	10.15	\$29,448,544	\$6,525,603	\$22,922,941		\$22,922,941

Table 6.3 - RECREATION PARK DEVELOPMENT

	Park Name	Area (Ha)	Total Construction Cost	Ineligible Construction Cost	Eligible Construction Cost	Benefit Allocation Percentage	DCC Eligible Cost (before applying assist factor)
	Glenmore Recreation Future Phases	4.5	\$19,864,935	\$10,797,505	\$9,067,430	100%	\$9,067,430
	Mission Recreation - Softball Diamonds	3.0	\$4,877,230	\$1,900,544	\$2,976,686	100%	\$2,976,686
	Parkinson Recreation - Soccer Field	1.0	\$1,903,850	\$72,500	\$1,831,350	100%	\$1,831,350
	Mission Recreation - Youth Park, Plaza, & Trail System	1.2	\$3,085,085	\$1,160,000	\$1,925,085	100%	\$1,925,085
	Rutland Recreation - Soccer Fields	1.6	\$2,850,265	\$72,500	\$2,777,765	100%	\$2,777,765
	TOTAL	11.30	\$32,581,365	\$14,003,049	\$18,578,317		\$18,578,317

Table 6.4 - CITY-WIDE PARK DEVELOPMENT

	Park Name	Area (Ha)	Total Construction Cost	Ineligible Construction Cost	Eligible Construction Cost	Benefit Allocation Percentage	DCC Eligible Cost (before applying assist factor)
	Kerry Park - Future Phases	0.50	\$6,280,653	\$1,370,250	\$4,910,403	100%	\$4,910,403
	City Park - Playground Expansion & Additional Amenities	0.70	\$7,576,214	\$3,749,555	\$3,826,659	100%	\$3,826,659
	Pandosy Waterfront Park	7.00	\$6,195,790	\$1,634,875	\$4,560,915	100%	\$4,560,915
	Sutherland Bay Park	2.20	\$9,197,756	\$2,853,501	\$6,344,255	100%	\$6,344,255
	TOTAL	10.40	\$29,250,413	\$9,608,181	\$19,642,232		\$19,642,232

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Linear Park Development

The eligible Linear Park development costs area assumed as follows:

- Trail Installation: \$75 / linear metre (includes grading, trail surface install, and edge restoration work)
- Signage and site furnishings: \$15 / linear metre
- TOTAL: \$90 per linear metre.

A 30% contingency is added to this figure to result in \$117 per lineal metre, which has been rounded to \$120 per lineal metre.

The length of trail development as set out in Table 10 is 5909 metres

- Total assumed linear metres of trail development: 5909
- Cost per lineal metre: \$120
- Total eligible costs for Linear Parks development: \$709,080

Summary

In summary, the total Development DCC eligible cost before applying the assist factor for each park type is set out in the table below:

Table 6.5 - Total Development DCC Eligible Cost

Park type	Total Development DCC eligible cost (before applying the assist factor)
Neighbourhood	\$24,856,258
Community	\$22,922,941
Recreation	\$18,578,317
City-wide	\$19,642,232
Linear	\$709,080
Total	\$86,708,828

Table 6.6 below sets out the:

- Costs recovered by DCCs, after adding the DCC administration costs and subtracting the assist amounts.
- Costs that are not recovered by DCC and need to be recovered by other means such as general property taxation, fees, Infrastructure levy or other methods. These include that amounts that are not eligible for DCCs (e.g. sport courts) the amount that is not allocated to growth because of the application of the benefit allocation, and that 8% DCC assist and that amount equivalent to the assist based on the reduced charges for secondary suites.

Note that table 14 is based on all proposed DCCs proceeding and that Models are set out in subsequent sections that show how to reduce the DCCs and consequently the municipal portion.

Table 6.6 - Development costs recovered by DCC and Costs recovered by other methods

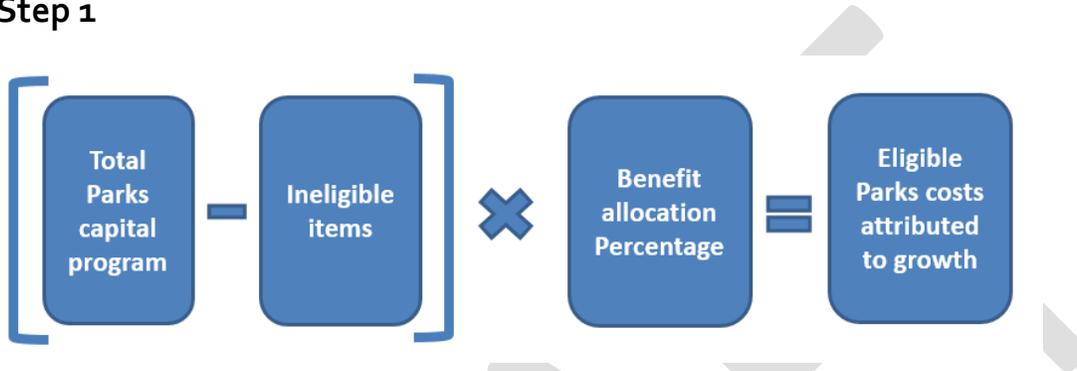
Park type	Total Development costs recovered by DCCs	Total Development costs recovered by other methods (ineligible + not allocated to growth + assist amount)
Neighbourhood	\$22,242,871	\$5,687,008
Community	\$20,512,823	\$9,164,950
Recreation	\$16,624,992	\$16,142,156
City-wide	\$17,577,048	\$11,869,788
Linear	\$634,527	\$81,643
Total	\$77,592,261	\$42,945,545

The amounts of total development costs recovered by other methods varies under a number of different options explored in subsequent sections.

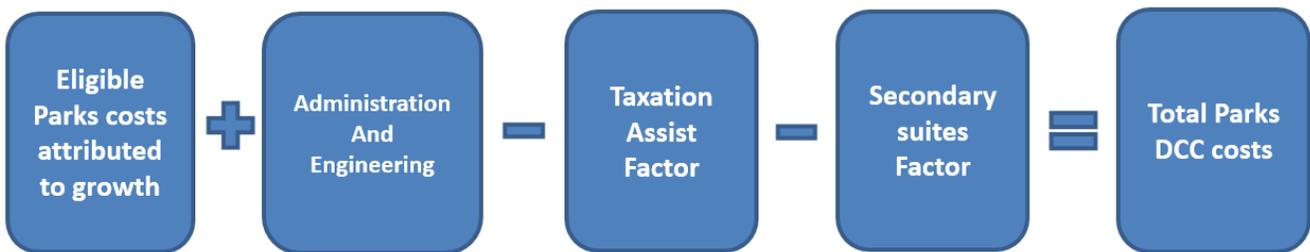
7. DCC Rates

To calculate the DCCs, the total parks capital program is considered and then ineligible items are subtracted along with the portion that is not attributed to growth, based on the benefit allocation percentage. The DCC assist amount is subtracted from the eligible parks costs attributed to growth to arrive at the total parks DCC costs. This total figure is then divided by the total units projected over the 10 year period to arrive at the DCCs per unit. This sequence is illustrated in the diagram below.

Step 1



Step 2



Step 3

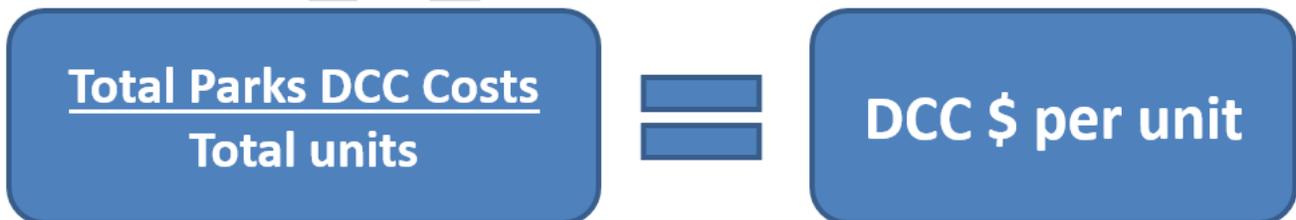


Figure 7.1 - Steps for Calculation of DCC Rates.

The DCC calculations for the Parks DCC Program is set out in this section of the report. Separate calculations shown for Neighbourhood, Community, Recreation, City-wide, and Linear parks development in order to see how much of the rate is contributed by each type of park.

DCC rates will apply to development for Neighbourhood, Community, Recreation, City-wide and Linear Parks. Linear Parks acquisition may apply here as well. Provided below are tables indicating the total DCC per equivalent unit for each park type.

Active Parks Acquisition (Existing DCC)

The City has an existing Parkland Acquisition DCC that collects funds to pay for acquiring Neighbourhood, Community, Recreation and City-wide parkland to serve growth.

Although DCC is collected as one charge, the Neighbourhood Parks portion is estimated to be \$1,891 per unit and the charge for the rest including Community, Recreation and City-wide is estimated to be \$5,251 per unit. The Neighbourhood parks portion is useful to know as the City would not be able to collect this amount if it imposed a requirement for developers to provide 5% parkland dedication.

The existing acquisition DCC calculation for Neighbourhood, Community, Recreation & City-wide is set out below.

		Acquisition
Total Eligible Parks Acquisition costs (after adjusting for secondary suites)		\$147,052,600
Plus Administration and Engineering fees	@1%	\$14,705,500
Total costs with Admin & Eng		\$148,523,100
Less Taxation Assist	@ 8%	\$11,881,900
Total For DCC		\$136,641,400
Equivalent units of Growth (20 year plan)		19,133
DCC per Equivalent Unit		\$7,142

Adding Commercial, Industrial and Institutional Units

If we add Commercial, Industrial and Institutional units to those who pay the existing parks acquisition DCC in year 2 (2021), the same acquisition costs are spread over more units. The existing parks acquisition DCC is \$7,142. All things remaining the same, adding the Commercial, Industrial and Institutional units reduces the parks acquisition DCC to \$6,591, a reduction of \$551 per unit.

Linear Park Acquisition

The acquisition DCC calculation for Linear Parks is set out below.

		Acquisition
Total Eligible Parks Development costs		\$9,115,309
Plus Administration and Engineering fees	@1%	\$91,153
Total costs with Admin & Eng		\$9,206,462
Less Taxation Assist	@ 8%	\$736,517
Less assumed assist for secondary suites	@ 3.4%	\$313,020
Total For DCC		\$8,156,925
Equivalent units of Growth		10,806
DCC per Equivalent Unit		\$755

Neighbourhood Park Development

The development DCC calculation for Neighbourhood Park Development is set out below.

		Development
Total Eligible Parks Development costs		\$24,856,258
Plus Administration and Engineering fees	@1%	\$248,563
Total costs with Admin & Eng		\$25,104,820
Less Taxation Assist	@ 8%	\$2,008,386
Less assumed assist for secondary suites	@ 3.4%	\$853,564
Total For DCC		\$22,242,871
Equivalent units of Growth		10,806
DCC per Equivalent Unit		\$2,058

Community Park Development

The development DCC calculation for Community Parks Development is set out below.

		Development
Total Eligible Parks Development costs		\$22,922,941
Plus Administration and Engineering fees	@1%	\$229,229
Total costs with Admin & Eng		\$23,152,171
Less Taxation Assist	@ 8%	\$1,852,174
Less assumed assist for secondary suites	@ 3.4%	\$787,174
Total For DCC		\$20,512,823
Equivalent units of Growth		10,806
DCC per Equivalent Unit		\$1,898

Recreation Park Development

The development DCC calculation for Recreation Parks Development is set out below.

		Development
Total Eligible Parks Development costs		\$18,578,317
Plus Administration and Engineering fees	@1%	\$185,783
Total costs with Admin & Eng		\$18,764,100
Less Taxation Assist	@ 8%	\$1,501,128
Less assumed assist for secondary suites	@ 3.4%	\$637,979
Total For DCC		\$16,624,992
Equivalent units of Growth		10,806
DCC per Equivalent Unit		\$1,538

City-wide Park Development

The development DCC calculation for City-wide Parks Development is set out below.

		Development
Total Eligible Parks Development costs		\$19,642,232
Plus Administration and Engineering fees	@1%	\$196,422
Total costs with Admin & Eng		\$19,838,654
Less Taxation Assist	@ 8%	\$1,587,092
Less assumed assist for secondary suites	@ 3.4%	\$674,514
Total For DCC		\$17,577,048
Equivalent units of Growth		10,806
DCC per Equivalent Unit		\$1,627

Linear Parks Development

The development DCC calculation for Linear Parks Development is set out below.

		Development
Total Eligible Parks Development costs		\$709,080
Plus Administration and Engineering fees	@1%	\$7,091
Total costs with Admin & Eng		\$716,171
Less Taxation Assist	@ 8%	\$57,294
Less assumed assist for secondary suites	@ 3.4%	\$24,350
Total For DCC		\$634,527
Equivalent units of Growth		10,806
DCC per Equivalent Unit		\$59

Summary of Parks DCCs

A summary of the revised full acquisition and full development DCCs is provided in table 7.1 below. This includes Acquisition DCCs for all four types of Active Park and Linear Park applicable to Residential development, and Development DCCs for all four types of Active Park and Linear Park applicable to Residential, Commercial, Industrial & Institutional projects. For the reasons discussed previously, it does not include acquisition DCCs for Commercial, Industrial or Institutional. Nor does it include a reduction in the taxation assist. These two items are proposed to be considered at the next major DCC review.

Table 7.1 Summary of Parks DCCs

Park type	Projected Single Detached Residential DCCs per unit
Neighbourhood Parks Development	\$2,058
Community Parks Development	\$1,898
Recreation Parks Development	\$1,538
City-wide Parks Development	\$1,627
Linear Parks Development	\$59
Linear Parks Acquisition	\$755
Existing Parks Acquisition	\$7,142
Reduction in Existing Acquisition if Commercial, Industrial and Institutional uses are added	-\$551

These amounts are considered in the options set out in the next section below. Currently the parks DCCs do not vary by density, so if the same approach was used that rate would apply to all residential units (except those less than 55.8 sq.m., which pay a modified rate).

If all the considerations are incorporated this is a significant increase in the overall Parks DCCs. It should be highlighted, when considering this figure against other municipalities, that Kelowna does not require the 5% parkland dedication at subdivision. The impacts of not imposing the 5% parkland dedication is shown in section 11, and essentially means that developers need to pay an additional \$8,500 to \$14,500 per lot that is not required in Kelowna.

In order to collect the proposed DCCs the City must demonstrate in the Capital Plan the funding model for the matching municipal contribution. A portion of the Infrastructure Levy, and the Parks Revenues discussed in subsequent chapters assists in generating revenues to contribute to the municipal portion. The combination of the amounts already identified in the 10-year Capital Plan coming from General Revenues (primarily property taxation) and gas tax revenues, along with the portion of the Infrastructure Levy and the Parks Revenues provide just enough funding to cover the municipal portion.

Four Models

In order to reduce this financial impact on new development and similarly reduce the unfunded portion of municipal contributions three alternative options for consideration have also been included as set out in the following table.

A – Full Implementation – As described above, the parks acquisition DCC includes the full amount of the existing parkland acquisition DCC (less the introduction of acquisition DCC for Commercial/Industrial in Year 2), as well as the proposed Linear Parks Acquisition DCC. The parks development DCC includes the full proposed parks development DCC as calculated above.

B – 5% Parkland Dedication + Full Development – The City adopts the 5% parkland dedication at subdivision, and the Parks Acquisition DCC is assumed to be reduced to delete the Neighbourhood parkland component. The proposed Linear Parks Acquisition DCC is included. The full proposed Parks Development DCC is included as described above (all four active park types + linear).

C – Staggered Implementation – As with A above, the Parks DCC includes the full amount of the existing Parkland Acquisition DCC (all four active park types + linear), and Parkland Development DCC (all four active park types + linear). However, the introduction of the Parkland Development DCC is staggered over three years: Year 1 - Neighbourhood & Community Parks, Year 2 – Recreation & Linear Parks, and Year 3 – City-wide Parks.

D – 5% Parkland Dedication + Staggered Implementation – The City adopts the 5% parkland dedication at subdivision, and the Parks Acquisition DCC is assumed to be reduced to delete the Neighbourhood parkland component. The proposed Linear Parks Acquisition DCC is included. The full proposed Parks Development DCC is included as described above (all four active park types + linear). However, the introduction of the Parkland Development DCC is staggered over three years: Year 1 - Neighbourhood & Community Parks, Year 2 – Recreation & Linear Parks, and Year 3 – City-wide Parks.

2040 OCP – Full DCC Update (2021)

In addition to the inclusion of Parks Acquisition DCCs for Commercial, Industrial & Institutional projects included in the calculations above, the 2021 update could also consider the reduction of the taxation assist to 1% + 3.4%. These changes could be brought forward at the next major DCC review following the adoption of the 2040 Official Community Plan.

The results of the analysis are set out in the Table 7.2 below.

Table 7.2 Summary of Models for Parks DCCs

		Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition							
Existing DCCs	<i>Neighbourhood</i>	✓	✓	X	✓	X	
	<i>Community</i>	✓	✓	✓	✓	✓	
	<i>Recreation</i>	✓	✓	✓	✓	✓	
	<i>City-wide</i>	✓	✓	✓	✓	✓	
New Linear Parkland Acquisition DCCs			✓	✓	✓	✓	
New Commercial/Industrial Acquisition DCCs			Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication			X	✓	X	✓	
Reduce taxation assist to 1% + 3.4%							✓
Total Acquisition DCCs (per residential unit)		\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development							
New DCCs	<i>Neighbourhood</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
	<i>Community</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
	<i>Recreation</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
	<i>Linear</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
	<i>City-wide</i>		✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs			✓	✓	✓	✓	
Reduce taxation assist to 1% + 3.4%							✓
Total Development DCCs (per residential unit)		\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)		\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645

The impacts of each option in terms of the funds required from other sources at the city are set out in table 7.3 below.

Table 7.3 summary of City Matching Revenue Requirements and Sources

Matching Revenue Sources							
Parks Program							
Total Parks DCC Revenues (per annum)	\$7,717,645	\$15,697,153	\$13,653,739	\$15,697,153	\$13,653,739	\$16,905,595	
<i>Ineligible Parks Costs (per annum)</i>	\$0	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189	
<i>Taxation assist (per annum)</i>	\$993,015	\$2,097,847	\$1,834,297	\$2,097,847	\$1,834,297	\$809,695	
Subtotal- Matching Municipal Contribution (per annum)	\$993,015	\$5,394,036	\$5,130,486	\$5,394,036	\$5,130,486	\$4,105,884	
Total Parks Program (per annum)	\$8,710,660	\$21,091,189	\$18,784,225	\$21,091,189	\$18,784,225	\$21,011,480	
Municipal Revenues							
Taxation/Gas Tax (10-year capital plan) (per annum)	\$994,528	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173	
Infrastructure Levy (27%) (per annum)	\$0	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000	
Parkland Revenues (per annum)	\$0	\$453,500	\$453,500	\$453,500	\$453,500	\$453,500	
Municipal revenues surplus (or deficit) (per annum)	\$1,512	\$13,637	\$277,187	\$13,637	\$277,187	\$1,301,789	

Commercial, Industrial and Institutional

If equivalencies for Commercial, Industrial and Institutional are kept the same as equivalencies for Roads projects in the City's existing DCC calculations, the rates for these uses would be based on the following:

- Commercial: 302 sq. m. = 1 residential unit
- Industrial: .405 hectares = 1 residential unit
- Institutional: 302 sq. m. = 1 residential unit

The resulting Parks DCC rates would be as outlined in the following table 7.4 which show the parks development DCCs under options A, B, C and D:

Table 7.4 - Projected DCC Rates for Commercial, Industrial, and Institutional Uses

Land Use	Option A	Option B	Option C Yr. 1	Option C Yr. 2	Option C Yr. 3
Commercial per sq. m.	\$26.28	\$26.28	\$13.10	\$19.84	\$26.28
Industrial per hectare	\$19,593	\$19,593	\$9,770	\$14,797	\$19,593
Institutional per sq. m.	\$26.28	\$26.28	\$13.10	\$19.84	\$26.28

Commercial, Industrial and Institutional development do not currently pay a Parkland Acquisition DCC, so the changes to the acquisition DCC with 5% parkland dedication are not included. The table only includes the proposed new Parks Development DCCs for all four types of active park and linear parks, and the proposed Linear Parks Acquisition DCCs.

8. Transition from Acquisition to Development

As part of Option 2, Council directed staff to investigate a transition of funds from linear park acquisition to parks development. As part of the exercise in 2018, the City investigated opportunities to shift parks expenditures from parks acquisition to parks development. One approach is that the City could temporarily shift the expenditures within the current funding level for parks. The shift would be to spend more on parks development and less on parks acquisition, than in the past. This would help address the issue regarding the significant amount of existing parkland that is underdeveloped. For a period of time, the City could focus more funds on parks development and somewhat less on acquisition. This would not entail a wholesale shift, but a 'tilt' in the priorities. Parkland acquisition would still occur in order to ensure that the City invests in parkland to support its future.

Revenue potential

From 2010 to 2017 about 59% of parks expenditures have been on acquisition and 41% on development, as demonstrated in Figure 8.1.

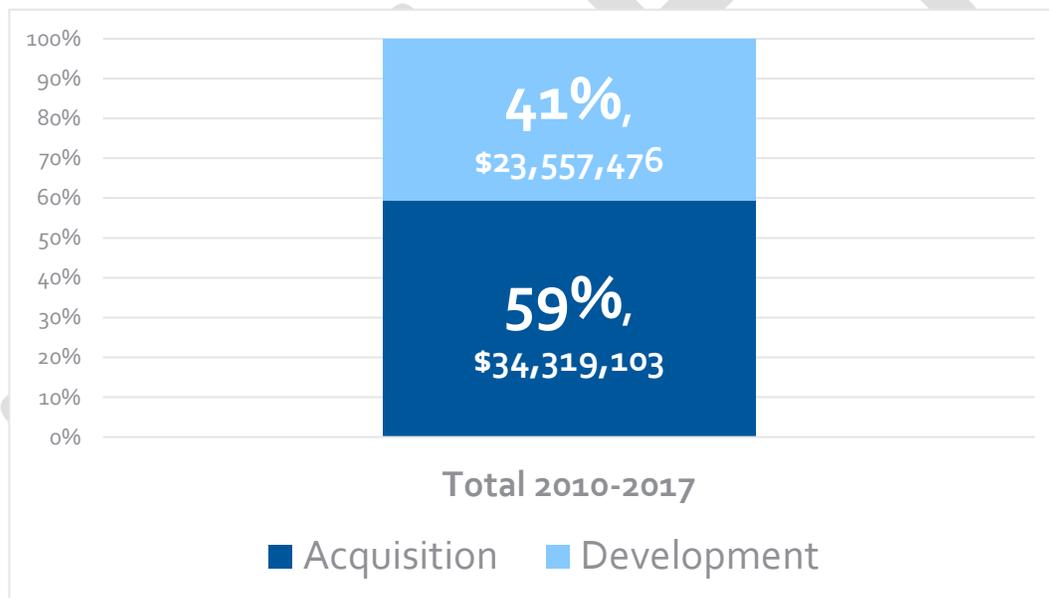


Figure 8.1 - Parks expenditures (2010 – 2017)

The amounts vary significantly from year to year as illustrated in Figure 8.2.

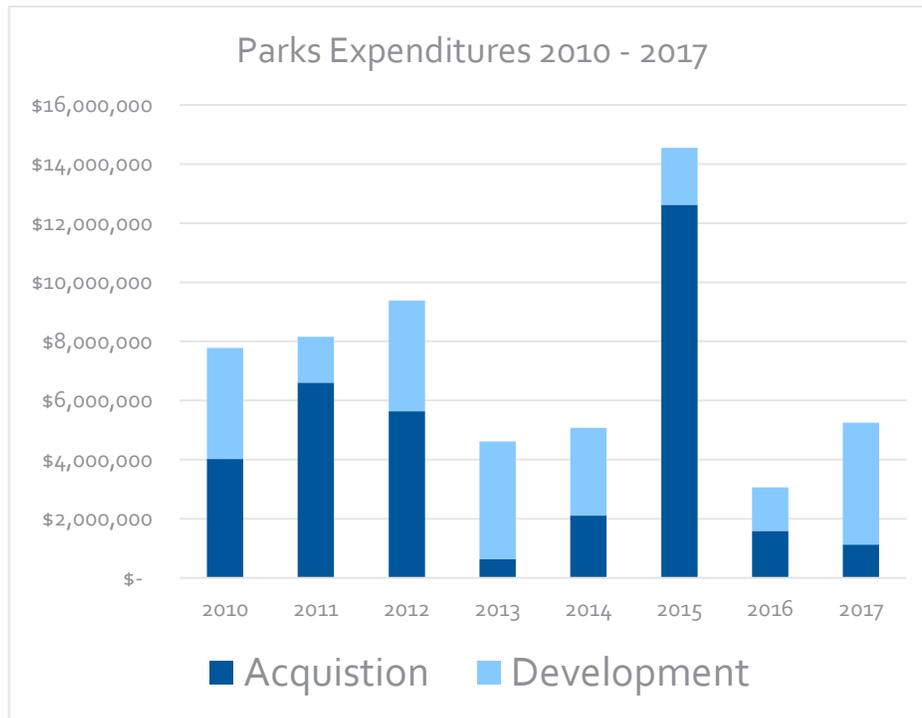


Figure 8.2 - Parks expenditures per year (2010 – 2017)

The average expenditures on parks acquisition per year over the 2010 to 2017 period were about \$4.29 million per year for acquisition and about \$2.94 million per year for development without grants. Investments vary from year to year. For example, there was a rare federal grant from stimulus funding in 2009 and 2010. Additionally, in some years investments are lower in order to finance purchases in other years. To effectively compare the amount of funds the City regularly expends on parks development from funds other than unusual grants, we compiled the total expenditures without grants.

In seeking amounts that could be shifted from expenditures on acquisition to expenditures on development, we need to consider that some sources would not be available for a shift from acquisition to development and these include:

- Expenditures from Acquisition DCC reserves (\$18.35 million from 2010 to 2017)
- Expenditures from Land Sales/Parkland Statutory Reserve (\$5.86 million from 2010 to 2017)

The significant sources that could be shifted from expenditures on acquisition to expenditures on parks development include the following:

- Taxation sources – taxation funding and carryover taxation (\$5.11 million from 2010 to 2017)
- General reserves (\$1.87 million from 2010 to 2017)

These are essentially taxation sources and they added up to \$6.98 million from 2010 to 2017. About \$5.15 million of this money was spent on Natural and Linear Parks Acquisition, which is currently funded 100% from

taxation sources. The remaining \$1.83 million was spent to provide the 11.4% taxation assist for DCC parks acquisition.

The \$6.98 million translates to about \$872,000 per year. One option could be to shift all those funds from acquisition to parks development, providing \$872,000 per year. This would leave \$872,000 less per year to acquire Natural and Linear parkland and to make up the assist amount to accompany parkland acquisition funds. This shift could be accomplished in a number of different ways:

- The City could reduce the Parks Acquisition DCC taxation assist. If the taxation assist was reduced, that would free up additional taxation funds for development, since the money would not be required to pay the assist portion of parkland acquisition.
- If a Linear Park Acquisition DCC is adopted, 88.6% of the Linear Park acquisition taxation funding could shift to park development while still maintaining the same rate of Linear Park acquisition. This equates to about \$4.60 million over the next ten years.

The creation of a DCC for linear parks can facilitate the transition of some taxation funds from acquiring parkland to developing parkland. By creating a new DCC for linear parks, this will free up taxation funds that are currently used to acquire Linear Parks for potential development of parks. This approach is the one pursued in more detail and this report sets out the calculation of the Linear Parks acquisition DCC in another section.

9. Infrastructure Levy

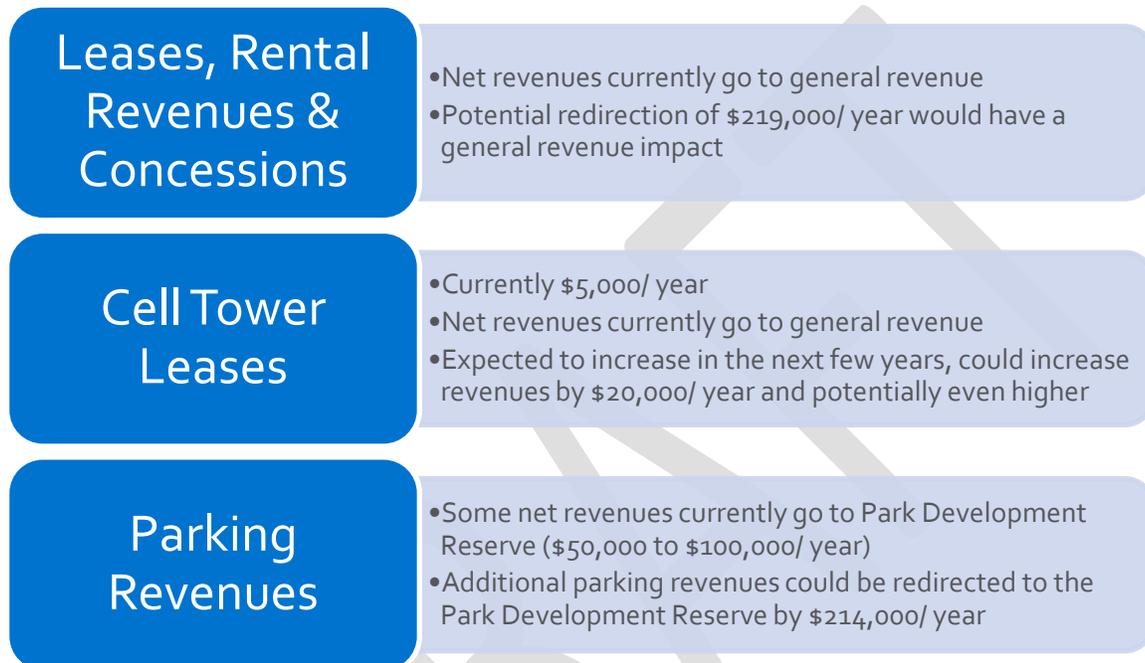
As recommended in the report of June 11, 2018 on the Parks Development Funding Strategy, Council directed that staff investigate the benefits of creating an Infrastructure Levy. Recognizing the infrastructure deficit exists across all infrastructure types, not only parks, this has been developed independently and was brought forward to Council in December 2018. City Council approved a 1.95% Infrastructure Levy to be added to the annual general property taxation in 2019. An additional 1.95% Infrastructure Levy will be added in 2020 and thereafter the revenue generated from the Levy will be used for infrastructure investment.

The 1.95% Infrastructure Levy will generate an estimated \$2.6 million in 2019, and \$5.2 million in 2020 onward for a total of \$49.4 million in the next 10 years. Allocation of this funding has not been confirmed yet. As the previous Council Report of June 2018 calculated, 27% of Infrastructure Levy is presumed for parks, matching the proportional breakdown as set out in the 2030 Capital Plan. The 27% of 5.2 million results in \$1,404,000 per year for parks.

The Infrastructure levy contribution assists in reducing the municipal contribution to match DCCs raised which is dependent on available taxation, reserves and gas tax.

10. Park Revenues

Staff was asked to investigate park revenues as another potential income source. Sources include property leases, rental revenue, parking revenue, concessions, and cell tower revenues. The results below show potential approximate revenues. Some of these would mean redirection of revenues that are currently directed towards general revenue, and would have a general revenue impact. Some are expected to increase in the near future, such as cell towers. Other rates, such as parking, are low compared to market rates and have potential to increase.



In summary, revenues from parking revenues, cell tower leases, rental revenues and concessions could generate a total of \$453,500 per year for parks development purposes.

By linking revenues generated within parks to parks development, a 'cause and effect' loop is created within the cost centre. If a park project is brought forward and existing rental properties are demolished, the loss of rental revenue must be considered when prioritizing the project.

Revenues generated within parks are significant and will serve to reduce the taxation burden for the matching municipal contribution.

Finally, renewal costs for the City's boat ramps are anticipated in the near future. They are currently unfunded in the Ten Year Capital Plan, and would not be covered by the Parks Development DCCs. Following the principle of 'user pay', it is proposed that revenues generated from the boat launch parking lots should be identified separately and retained specifically for boat ramp improvements.

11. Funding for Parkland - Provincial Context

In British Columbia, there are a number of mechanisms through the development process that provide for park acquisition and development. The following section will review these mechanisms as follows:

- Parkland provision through subdivision (LGA, s. 510)
- Park Acquisition DCCs
- Park Development DCCs

Provision of Parkland (*Local Government Act, s. 510*)

Under section 510 (1)(a) of the *Local Government Act*, municipalities may require parkland at the time of subdivision from the owner of land being subdivided. The amount of parkland to be provided must not exceed 5% of the land being subdivided, as per s. 510 (5). Municipalities may also require cash-in-lieu of parkland in an amount that equals the market value of land that would have been required for parkland purposes instead of requiring actual parkland dedication. This authority is granted under s. 510(1)(b) of the *Local Government Act*. Any funds that are generated under this clause are to be allocated for parkland acquisition to occur at a later time.

Historically and currently, Kelowna does not require a parkland dedication of 5% at subdivision. This process is currently largely funded by park acquisition DCCs. A comparison of parkland acquisition and development funding strategies was conducted to determine how other communities within the Okanagan and of similar size to Kelowna approach this tool.

The approach used by Communities in the Okanagan, and other comparative communities in BC is set out in the tables below:

Table 11.1 - 5% Parkland Dedication Comparisons of Okanagan Communities

Okanagan Comparisons	Require 5% Parkland dedications?
Lake Country	Yes ✓
Vernon	Yes ✓
West Kelowna	Yes ✓
Peachland	Yes ✓
RDCO	Yes ✓
Penticton	Yes ✓
Kelowna	No ✗

Table 11.2 - 5% Parkland Dedication Comparisons of Other BC Communities

BC Comparisons	Require 5% Parkland dedications?
Abbotsford	No X
Kamloops	Yes ✓
Langley (Township)	Yes ✓
Chilliwack	Yes ✓
Surrey	Yes ✓
Richmond	Yes ✓
Nanaimo	Yes ✓
Kelowna	No X

Tables 2 and 3 show that most communities require the 5% parkland dedication. Kelowna does not require the 5% parkland dedication but collects funds through DCCs in order to purchase parkland. Note that the addition of parkland dedication in Kelowna would add another element to the subdivision process, and associated processing costs and potential time involved in determining which lands are appropriate to dedicate, or the appropriate amount for cash in lieu contributions.

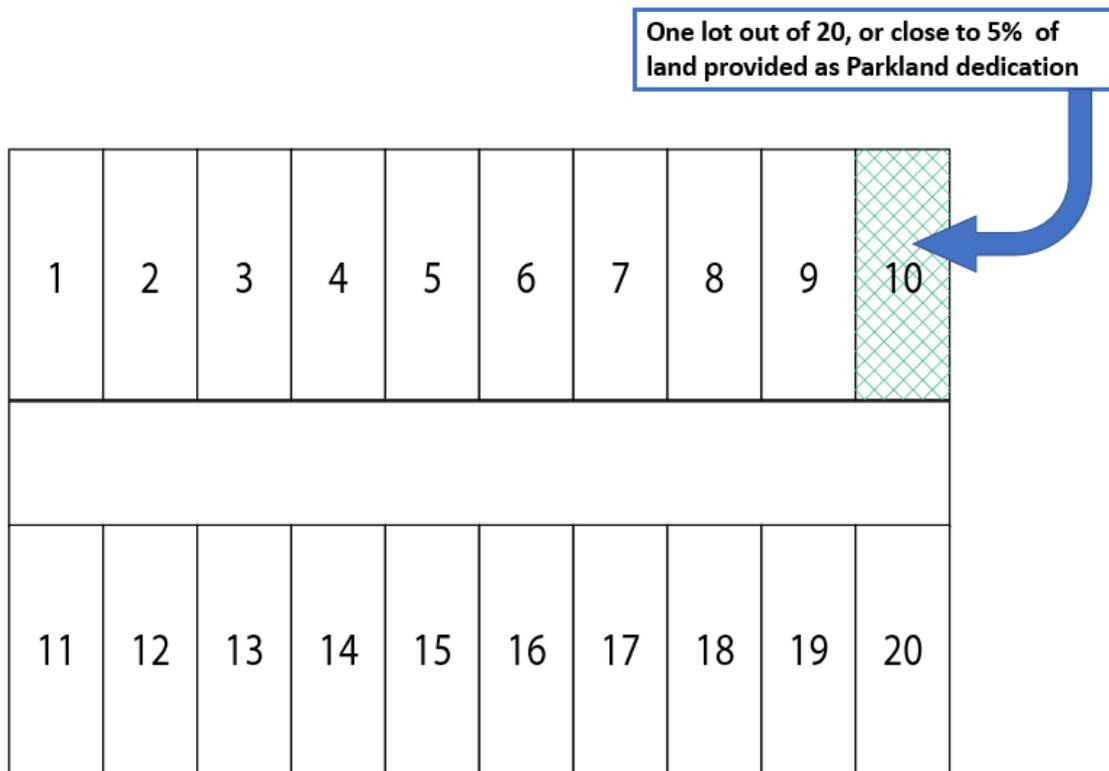
Parks DCC comparisons

The Local Government Act permits the implementation of parkland development charges to support growth. In 1988, it incorporated DCCs for park acquisition. In 1995, it added DCCs for park development.

Many communities collect parks DCCs. Some differentiate between parks acquisition and parks development, and others simply have one parks DCC that covers the costs of both acquisition and development. In comparing DCC rates, it is important to keep in mind that some communities also collect 5% parkland at subdivision. This means they do not need to include this component of parks acquisition in their DCC. Often the 5% parkland dedication is seen to be equivalent to Neighbourhood Parkland, but practices vary. Communities who collect 5% parkland dedication would have lower DCCs than if they were charging a DCC to acquire that portion of their parkland. The DCC Best Practices Guide make it clear that a community cannot collect 5% upon subdivision and also collect money through DCCs to acquire the same land, as that would be double charging.

In the Okanagan, communities have a range of Parks DCCs ranging from a low of \$988 per lot in Peachland to the City of West Kelowna which has the highest Parks DCC outside of Kelowna for single-family residential uses at \$4,690 per lot. This provides funding for both park development and land acquisition. All communities observed in the Okanagan, except Lake Country, have combined their Parks DCC for parkland acquisition and development, so it is not possible to see how much of the charge is for land acquisition and how much is for park development. In addition, all communities except Kelowna require 5% parkland dedication at the time of subdivision. The Figure 11.1 below shows the parks DCCs in the Okanagan. Those with an asterisk next to the number showing the total value of Parks DCCs require 5% parkland dedication in addition to the Parks acquisition and development DCCs. Note that West Kelowna and the City of Kelowna have the highest land values in the Okanagan, which translates to higher parkland acquisition costs, and higher DCCs. While Lake Country is lower, it plans to update the Parkland DCCs based on the recent Parks Master Plan, and the previous update did not fully update the parks projects.

In order to compare Kelowna, which does not require 5% parkland dedication, with all the other communities that do require the 5% parkland dedication, this report estimates the cost of the 5% parkland dedication, or cash provided in lieu. The Local Government Act required that for Parkland valuation for cash in lieu the land is valued as if it has been zoned and developed, but the servicing cost has been subtracted. To help imagine how this works think of a 20 lot subdivision where one lot (5% of the 20 lots) is given up as parkland, or the value of that one lot is paid for as cash in lieu and then spread over the 20 lots. See the illustration below of a basic conceptual 20-lot subdivision where one lot of 20, or 5% is provided as parkland dedication. The result is that 5% of the cost of a single lot (minus the cost of servicing) is the value of the 5% parkland dedication.



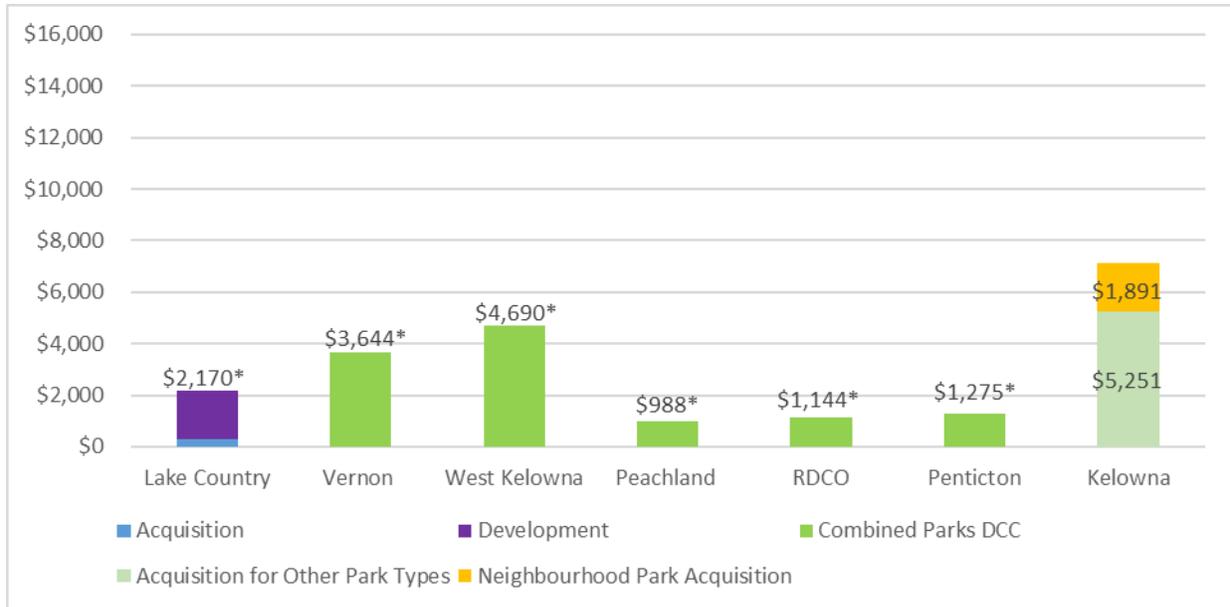


Figure 11.1 - DCC Comparison of Okanagan Communities

Based on a review of average lot values, the estimated 5% parkland value collected per lot (assuming cash is provided in lieu of Parkland to translate the parkland into a comparable dollar value) is set out in figure 11.2 below.

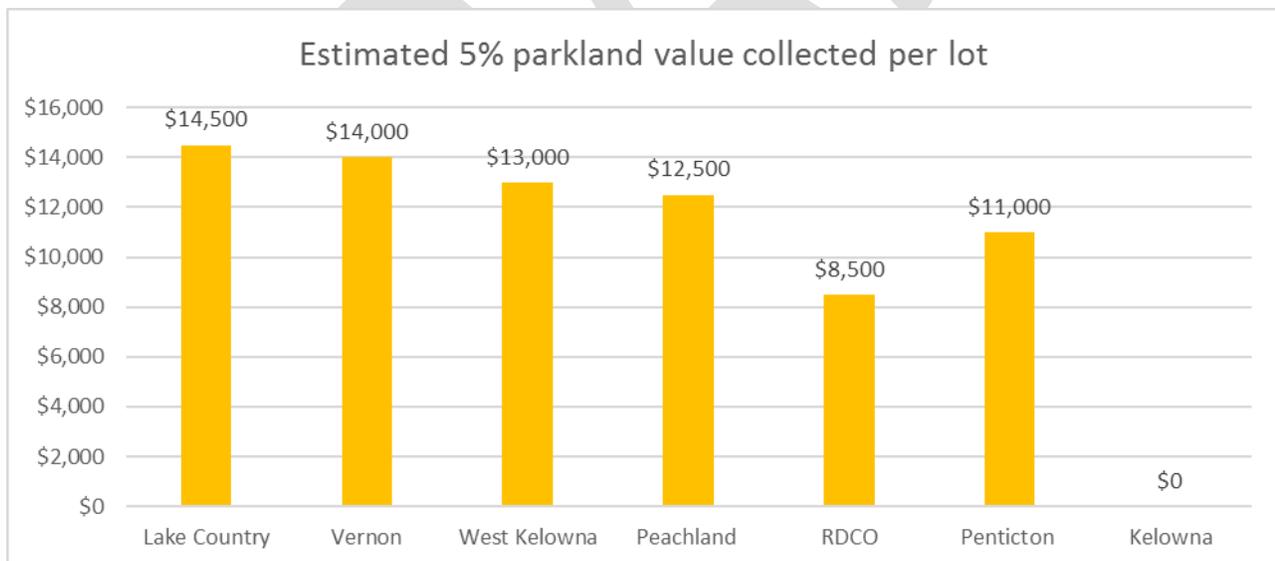


Figure 11.2 - Estimated 5% Parkland Value Collected per Lot

The amount collected by DCCs combined with the estimated 5% parkland value per lot is set out in figure 11.3 below.

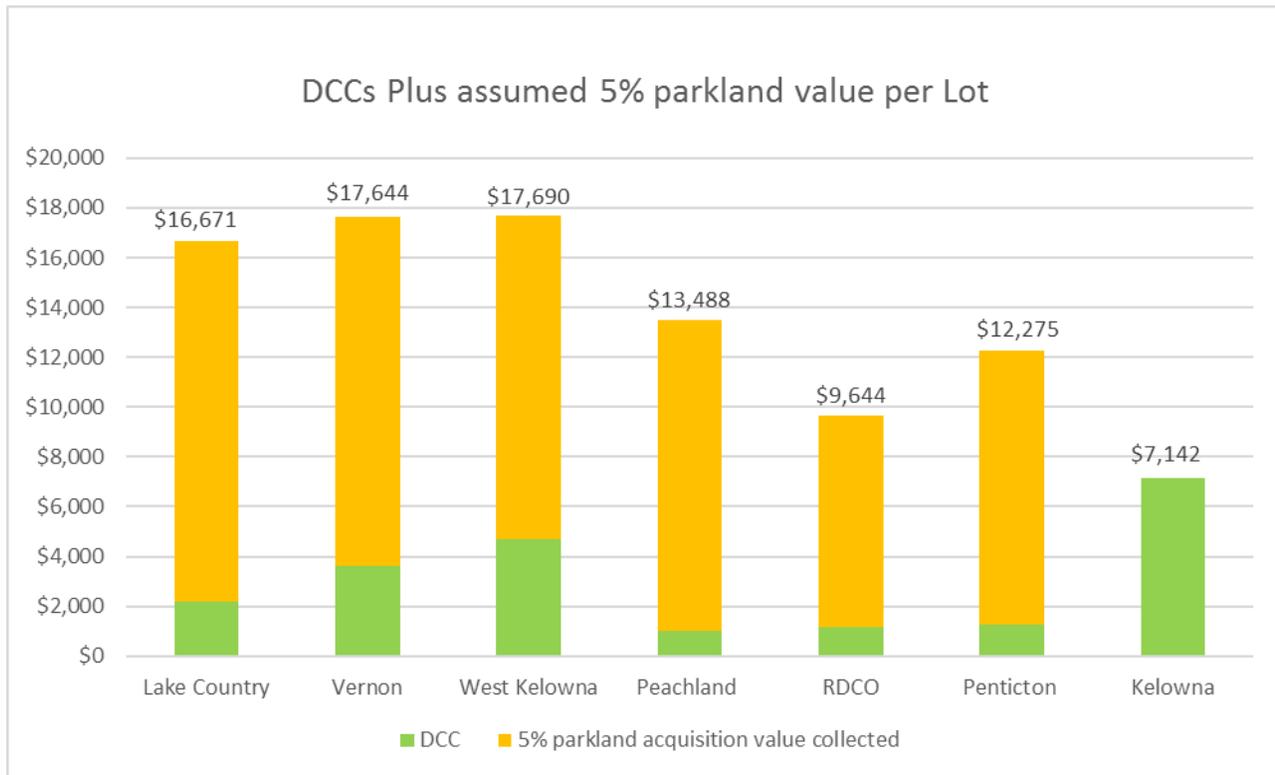


Figure 11.3 - Estimated Combined Parks DCC plus 5% Parkland value

This figure shows that while Kelowna has the highest Parks DCCs in the Okanagan valley, it does not require the 5% parkland dedication, and if the estimated value of the 5% parkland dedication is included in the calculation, the amount for Kelowna is the lowest in the Valley.

Amongst other communities in British Columbia of similar size to Kelowna, the City of Richmond has the highest Parks DCC for single-family residential uses at \$13,475 per lot. This fee is broken into separate charges for acquisition and development, with \$7,749 for acquisition and \$5,726 for development. Richmond also requires 5% parkland dedication at the time of subdivision. Surrey is the only other community observed that does not have a combined Parks DCC, as they only charge for parkland acquisition. The chart in figure 11.4 below shows the amount of parks DCCs in cities comparable to Kelowna. Those with a green chevron above the bar showing the total value of Parks DCCs require 5% parkland dedication. Only the City of Abbotsford and City of Kelowna do not require 5% parkland dedication. The values of the 5% parkland dedication for these communities have not been calculated, but it would add a significant amount in each community.

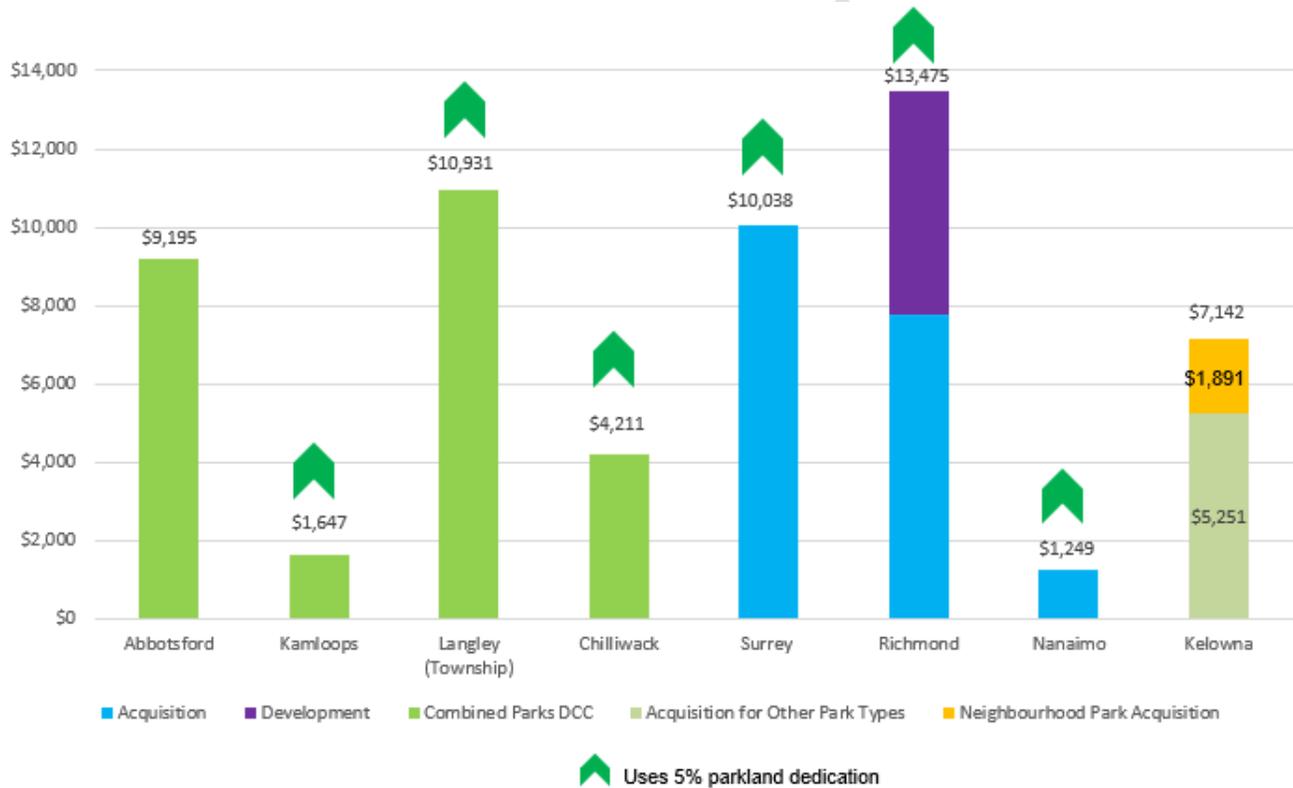


Figure 11.4 - DCC Comparison of Other Communities in BC

Kelowna approaches their Parks DCC from a different standpoint than other communities. The City currently collects Parks DCC for acquisition only and does not collect the 5% parkland dedication at the time of subdivision for the following reasons:

- Land costs in Kelowna are much higher than in other Okanagan communities
- The City just updated their DCCs which have accounted for parkland acquisition needs in the program
- New greenfield subdivisions are typically built in steeper areas where parks are difficult to provide and developers typically prefer to provide cash instead of land
- Negotiating the 5% parkland at subdivision adds additional time and resources to the process

For comparison purposes, it is useful to note that land costs in Kelowna are similar to those in Chilliwack and Abbotsford. While Chilliwack's Parks DCC may be lower than Kelowna's, the City of Chilliwack does require the 5% parkland dedication at the time of subdivision, which would increase the total cost of parkland provided by developers (including both Parks Acquisition DCCs and 5% parkland dedication costs) significantly above the amount required in Kelowna. It is also notable that Abbotsford has higher standards for parks per capita than Kelowna, and would need to source funds from DCCs, general revenue and other sources in order to deliver this standard.

Park Area Comparisons

As part of the analysis conducted in 2017 and 2018 for discussions with Council, the City compared Parks acquisition standards in Kelowna with comparable communities, the analysis also compared the actual amount of parkland provided by type.

The graphs below show the results and indicate in most cases that standards for parks acquisition and the amount of parks actually provided in Kelowna is less than the comparative communities. This shows that the standard is already low, and Kelowna would struggle to provide park spaces as land prices increase as the City grows. All of these figures do not include schools or regional and provincial parks, but they are similar comparisons to other communities, which also do not include their schools or regional and provincial parks.

It is interesting that while the City of Kamloops' Parks DCC is lower than the City of Kelowna's, their park standard is much higher for neighbourhood and city-wide parks. Since Kamloops is known as the "Tournament Capital of Canada", it is likely that they are receiving funding for parkland from other sources such as taxation.

It is also useful to note that significant amounts of existing Kelowna parks have a historical legacy such as City Park, Knox Mountain, Lombardy Park, Recreation Avenue Park, the Parkinson Recreation Centre, and Rotary and Boyce-Gyro Beaches. These historical parks were acquired years ago and do not form part of the 2.2 hectares per 1000 people rate of acquisition for growth. These historical parks bring up the number of hectares per 1000 people in terms of existing park inventory. However, it is important to remember that the city attains some of the current targets because we have been historically blessed with large parks, not because we have kept up with the 2.2-hectare standard of park delivery per 1000 people in recent years.

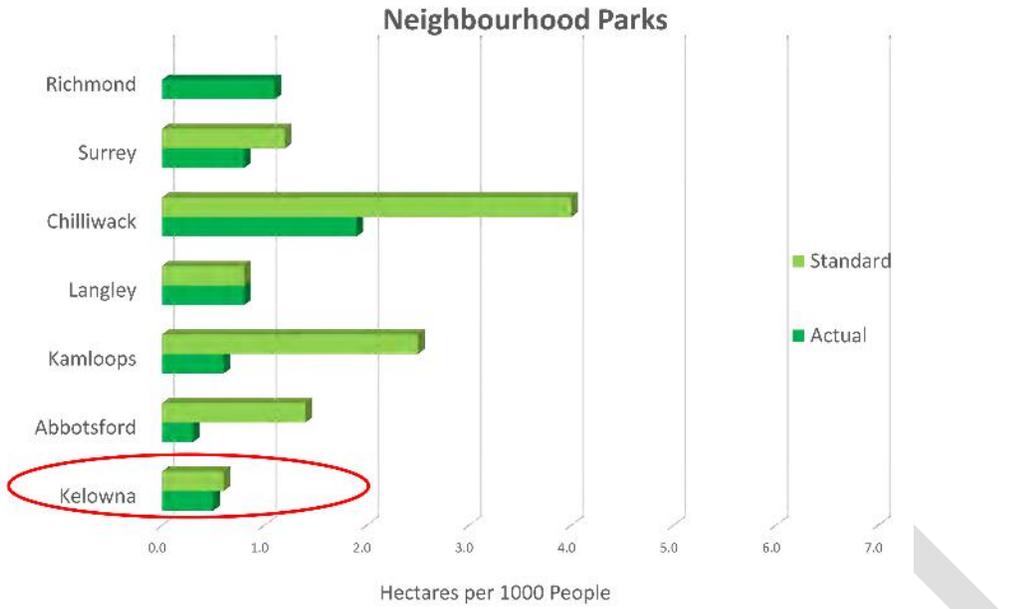


Figure 11.5 - Comparison of Neighbourhood Park Standards

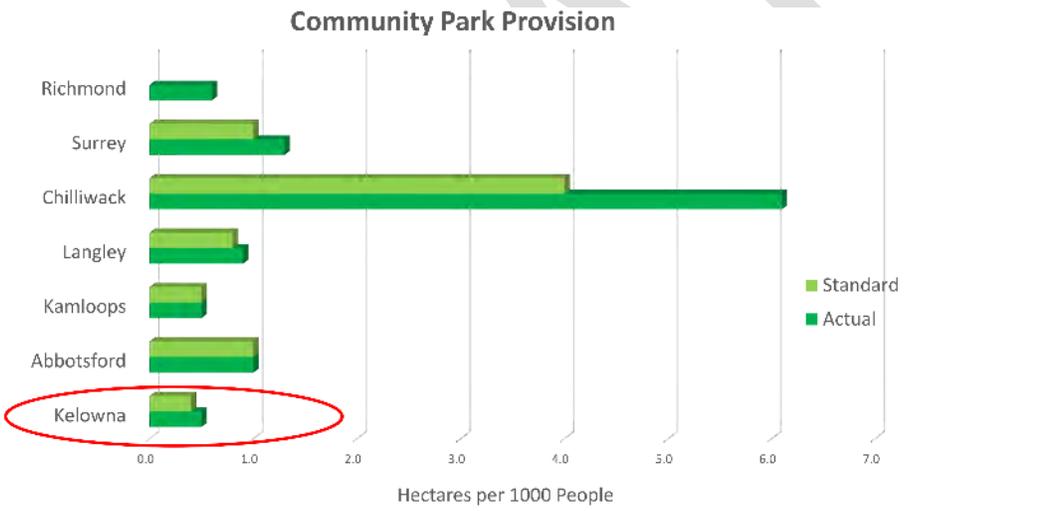


Figure 11.6 - Comparison of Community Park Standards

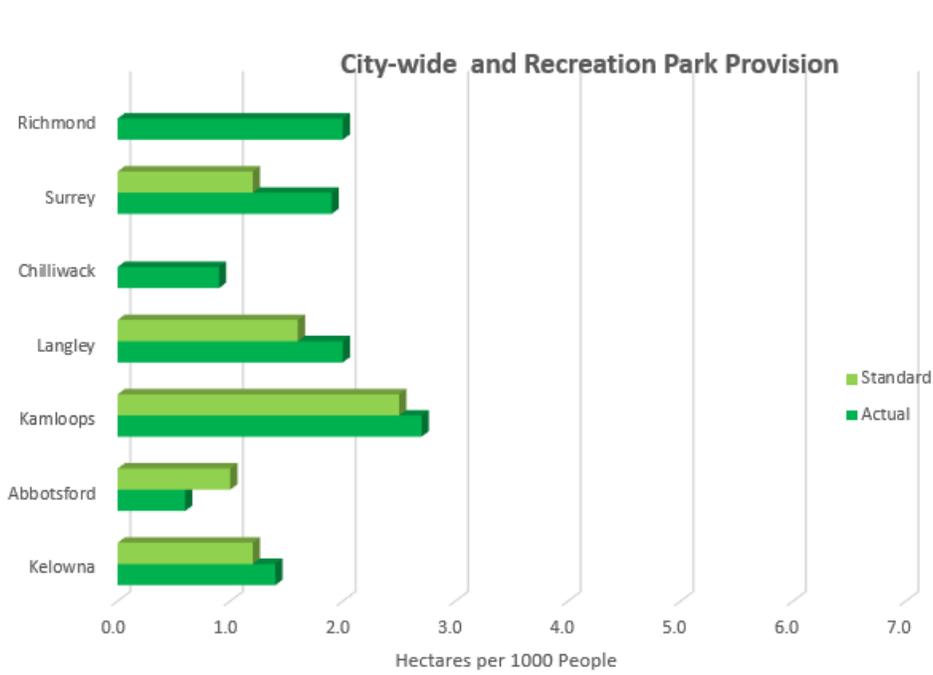


Figure 11.7 - Comparison of City-Wide and Recreation Park Standards

The park standards that are used for the provision of City-wide and Recreation Parks are shown in Figure 5. These two park type standards have been combined due to the differences in definitions that exist for City-wide and Recreation parks amongst the comparable communities. The City of Kelowna is the only community to have a park type classification for Recreation parks. Richmond, Langley (Township), Kamloops, and Abbotsford all include recreation facilities and sports fields within their City-wide parks classification. It is not clear under which park type Surrey and Chilliwack provide recreation facilities and fields, and for these two communities the parks classified as city wide are included in the chart.

While the actual hectares per 1000 people provision rate shown for these park types in Kelowna is 1.4 ha per 1000 people and the standard shown is 1.2 ha per 1000 people, the breakdown of these standards for each park type is as follows:

- City-Wide Parks:
 - Actual: 0.6 ha per 1000 people
 - Standard: 0.6 ha per 1000 people
- Recreation Parks:
 - Actual: 0.8 ha per 1000 people
 - Standard: 0.6 ha per 1000 people

12. Stakeholder Consultation

The City Parks Development DCC and Urban Systems Ltd. team will consult separately with the Urban Development Institute and the Canadian Home Builders Association following this report. An open house will be held for the general public on the same day following these meetings. Developers not associated with either of these organizations are anticipated to attend the public meeting. Revisions to the proposed DCC program will be brought back to Council based on the comments received at both of these consultation events.

DRAFT

13. Implementation

DCC Credits

DCC credits can be provided when a developer builds all or part of a project that is set out in the DCC program.

If a Parks Development DCC is established, developers would receive a DCC credit if they construct Parks development works that are set out in the DCC program. This allows developers to build parks improvements in their subdivision in advance of City priorities, without having to wait for the City to build it.



Source: Inteface.com

Figure 23. DCC Credit for Developer Built Parks

If a developer builds a park that is set out in the Parks DCC program, developers would get credit for the lesser of:

- The City cost estimate for the work in the DCC report;
- The actual cost of the work; or
- The Parks development DCC owed by the developer.

One consequence of building the park in advance of City priorities is that the developer loses credit for the 8 +3.4% taxation assist amount on the project.

The City should establish a policy or practice to guide staff in the collection of DCCs and the use of DCC credits for park construction. Such a policy would ensure consistent application of DCC credits in different situations over time.

Bylaw Exemptions

The *Local Government Act (LGA)* is clear that a DCC cannot be levied if the proposed development does not impose new capital cost burdens on the City, or if a DCC has already been paid in regard to the same development. However, if additional further expansion for the same development creates new capital cost burdens or uses up capacity, the DCCs can be levied for the additional costs.

The *LGA* further restricts the levying of the DCC at the time of application for a building permit if:

- The building permit is for a church or place of public worship as per the *Community Charter*; or
- The value of the work authorized by the building permit does not exceed \$50,000 or a higher amount as prescribed by bylaw; or
- Unit size is no larger than 29 sq.m. and only for residential use.

The legislation allows local governments to charge DCCs on residential developments of fewer than four self-contained dwelling units, as long as such a charge is provided for in the local government's DCC bylaw.

Collection of DCCs on Redeveloped or Expanded Developments

When an existing building or development undergoes an expansion or redevelopment there is usually a need for additional DCC related infrastructure. The new developer/ builder should pay the applicable DCCs based on the additional number of units for multiple family dwellings, as well as floor area for commercial and industrial. In essence, the City is giving a DCC credit for the existing development or building. DCCs are only levied on the new development/ building area.

This will be particularly important for the proposed Commercial and Industrial parks DCCs. If an existing commercial building is demolished and replaced with a larger building, then the parks DCC would be paid on the difference between the older and the newer building. Similarly, if a commercial building is expanded, the DCC would be paid on the expansion.

If a single family residential unit is replaced by another single family residential unit then no additional DCCs are payable. If a lot is subdivided into two, for example, to construct two small lot single family residential units, then DCCs are payable on the one additional single family residential lot.

In-stream Applications

The new DCC rates will be in force either immediately after the updated Development Cost Charge Bylaw is adopted, or on a specific future date set out in the adoption bylaw; however, the *Local Government Act (LGA)* provides special protection from rate increases for development applications that are submitted prior to the adoption date.

In-stream protection applies to both building permit and subdivision applications received prior to the adoption of the new DCC Bylaw. Protection is also extended to rezoning and development permit applications that are submitted prior to the adoption of the new DCC Bylaw and that will result in a building permit within 12 months of the adoption of the Bylaw. Division 19, Sections 511 and 568 of the *LGA* outline the criteria that must be met in order for an application to qualify for in-stream protection.

If an application meets the required criteria and is submitted prior to the adoption of the new DCC Bylaw, it will be provided protection from rate increases for a period of twelve months after the adoption date. The protection existing if the subdivision is registered or building constructed during the year. If the year passes without registration of construction, then the new DCCs apply.

DRAFT

Attachment 4 – Parks Revenues

Park revenues were investigated as another potential income source. Sources include property leases, rental revenue, parking revenue, concessions, and cell tower revenues. The results below show potential approximate revenues. Some of these would mean redirection of revenues that are currently directed towards general revenue and would have a general revenue impact. Some are expected to increase soon, such as cell towers. Other rates, such as parking, are low compared to market rates and have potential to increase.

Table A4.1 – Park Revenue Net Revenues

Property Management	Leases, Rental Revenues & Concession	(489,411)	Identified locations net revenue
		270,271	% of overall project expenditures
		(219,140)	Net Potential revenues
Parking - Downtown	Parking Revenues	(223,382)	Identified locations net revenue
		64,441	% of overall project expenditures
		(158,941)	Net Potential revenues
Parking - South Pandosy Town Center	Parking Revenues	(90,405)	Identified locations net revenue
		34,826	% of overall project expenditures
		(55,579)	Net Potential revenues
Cell Towers	Cell Tower Revenue	(25,000)	Identified locations net revenue
		5,000	% of overall project expenditures
		(20,000)	Net Potential revenues
		(833,198)	
		369,538	
	TOTAL	(453,660)	

Table A4.2 – Cook Road Boat Launch Net Revenues

Cook Road Boat Launch	Parking Revenues	(69,167)	Identified locations net revenue
		26,644	% of overall project expenditures
		(42,522)	Net Potential revenues



URBAN DEVELOPMENT INSTITUTE- OKANAGAN CHAPTER

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udiokanagan@udi.org
www.udiokanagan.ca

July 16, 2018

City of Kelowna
1435 Water Street
Kelowna, BC V1Y 1J4

Attention: Joel Shaw

Subject: Parks Development DCC

The Urban Development Institute (UDI) is a national association (with international affiliations) of the development industry and its related professions. The corporate members of the UDI - Okanagan Chapter represent hundreds of individuals involved in all facets of land development and planning, including: developers, property managers, financial lenders, lawyers, engineers, planners, architects, appraisers, real estate professionals, local governments and government agencies.

As a Partner in Community Building, the UDI Okanagan Chapter is committed to working with communities and governments to create and achieve the vision of balanced, well-planned, sustainable and affordable communities.

Thank you for inviting representatives of UDI Okanagan to meet with the City of Kelowna to discuss the City's proposed changes to the Development Cost Charge (DCC) program and the addition of new funding sources for park development, including a new Parks DCC. In addition to the many points raised at the meeting, we have had further consultation with our members and have the following additional comments and questions.

- UDI Okanagan is not fundamentally opposed to the creation of a new Parks Development DCC, however, it is not fair to have the cost of past park development funding shortfalls added to the cost of new homes. We understand that the DCC guideline indicates that DCCs should not be used to make up past deficiencies in parkland. Instead, any new Parks Development DCC should only pay for the cost of park development as a result of new growth. As such, we recommend that the City explore alternative funding sources to make up for years of park development funding shortfalls.
- UDI requests that the City explore what the Parks Development DCC would be if only parks development needed for new growth was included.
- UDI requests rationale supporting the proposed 100% allocation of 'future' community, recreation, and city-wide park development to new growth. Is it reasonable to suggest that there

will be no benefit to the existing population with the development of these future park sites (particularly the city-wide and recreation park sites)?

- Would higher density housing units be subject to the same Park Development DCC rates as single family?
- UDI suggests that the City explore extending the time horizon beyond 20 years for catch up on past park development funding shortfalls.
- UDI would like to have further conversations with the City around the current standard of 2.2 hectares of park space, as well as how this compares to other similar municipalities.
- UDI recommends that the City explore options for utilizing a portion of the current Parks Land Acquisition DCC for parks development until such time as the shortfall is made up.
- If a developer provides natural open space land that serves as a public amenity (nature trails), the developer should receive credit for this. It should be considered in the City's parks requirements of 2.2 ha/1,000 people. Please confirm if this would be the case with this new Parks DCC.
- UDI suggests that the proposed Parks DCC be allocated on a sector basis so that it is consistent with the other components of the overall DCC program.
- The DCC projects should have associated triggers based on growth projections that would prioritize and indicate when projects are developed. This will generate consistency and tie parks development projects to where the development is actually occurring.
- Would the City be able to provide some mapping of where the 15 hectares of neighbourhood parks attributed to new growth are expected to be located, along with the 27 hectares of community parks?
- If those lands mentioned in the point above already exist in the form of dedicated park land that has not yet been developed, it should be added to the category of existing development deficiency in table 4.1 and should not be expected to be covered by future growth through a DCC.
- UDI recommends that the City provide revised unit rates on growth projections to get a more accurate unit rate DCC figure. Those used for the presentation to Council were based on the last capital plan and it would be more meaningful to look at the numbers with the same projections being used for the upcoming Official Community Plan (OCP).

As briefly mentioned at our meeting, any increase in DCC costs will be passed on to the end user. Increasing upfront costs simply results in increased purchase costs and therefore reduces affordability for those that need it the most.

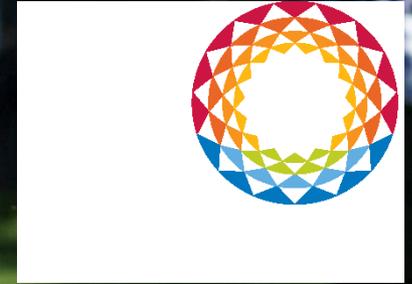
We would be happy to meet with the City of Kelowna again over the summer for further conversation and clarification related to the above points and questions. Please suggest a few dates that would be convenient for you to meet and we will work on arranging the meeting.

Sincerely,

URBAN DEVELOPMENT INSTITUTE OKANAGAN CHAPTER

Per: Kevin Edgecombe, Chair of UDI Okanagan

2



Park Development Funding Program

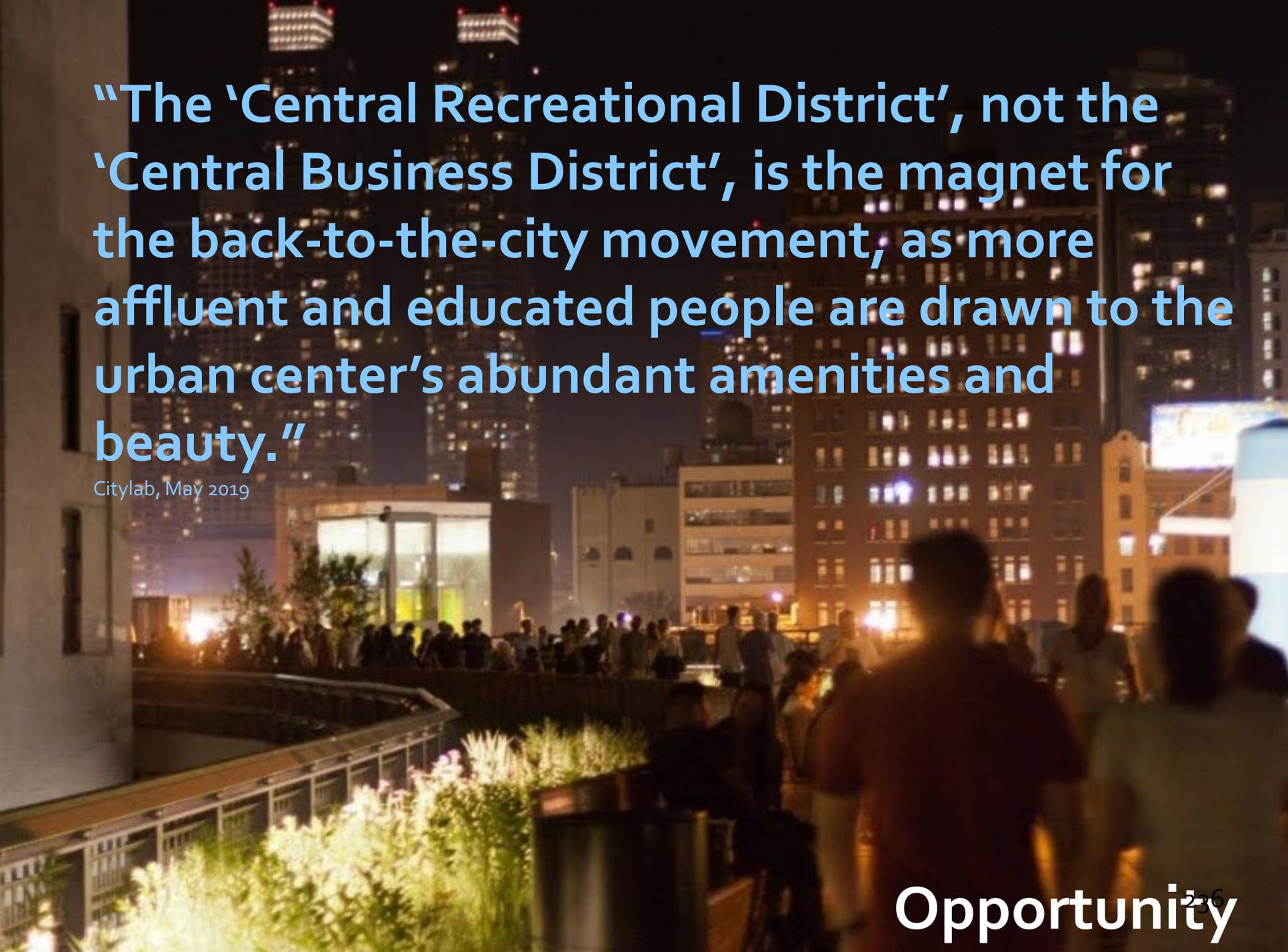
June 2019



We are not providing enough parks



Challenge



“The ‘Central Recreational District’, not the ‘Central Business District’, is the magnet for the back-to-the-city movement, as more affluent and educated people are drawn to the urban center’s abundant amenities and beauty.”

Citylab, May 2019

Policy Framework



Imagine Kelowna

- Create great public spaces
- Grow vibrant urban centres
- Build healthy neighbourhoods for all



2040 Official Community Plan

- Big moves :
 - Prioritizing parks and public spaces in the Core area



2019 Council Priorities

- Vibrant urban centres
- Animated parks & public spaces
- Accessible & multi-purpose amenities

Planning Process

May 2017

Park Development Report



Oct/Nov 2017

Workshops with Council



June 2018

Park Funding Strategy – 'Option 2'

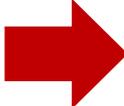
Council
Direction



Jan 2019

2019 Budget Year – Consultants Retained



 June 17, 2019

Park Development Funding Program

Council
Direction



Engagement



Council Consideration

Council
Approval

Option 2

Table 1. Option 2 – Park Funding Report (2018)

Tool	Option 1	Option 2	Option 3	Option 4
Press forward				
Parks development DCC	\$3,422,000	\$3,422,000	\$3,422,000	\$3,422,000
Infrastructure Levy on General taxation (2% tax for Infrastructure)		\$426,000	\$426,000	\$426,000
Shift from acquisition to development		\$644,000	\$644,000	\$644,000
Commercial/Industrial parks development DCC	\$236,000	\$236,000	\$236,000	\$236,000
Potentially move forward				
Linear parks acquisition DCCs (linked to 'Shift from acquisition to development' above)		Included	Included	Included
Parcel taxation (for 5 years)			\$4,000,000	\$4,000,000
Consider and explore further				
Reduce parks acquisition and development DCC taxation assist from 8% to 1% (plus 3.3%)		\$284,000	\$284,000	\$284,000
Increase in Airport dividend				\$51,000
Community partnerships				\$25,000
Parks revenues		\$163,000	\$163,000	\$163,000
Total	\$3,658,000	\$5,145,000	\$9,195,000	\$9,316,000

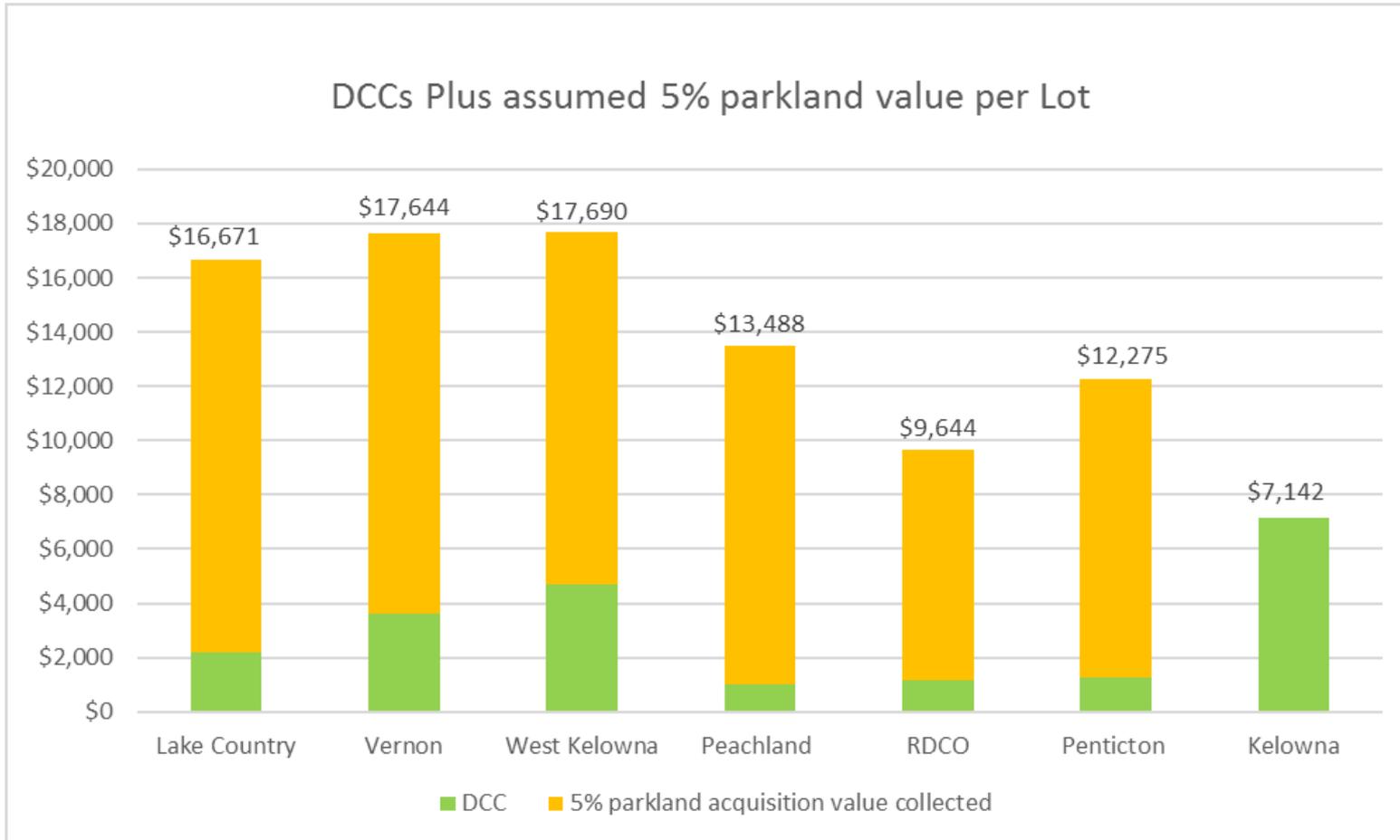
Comparison

with comparable BC Municipalities

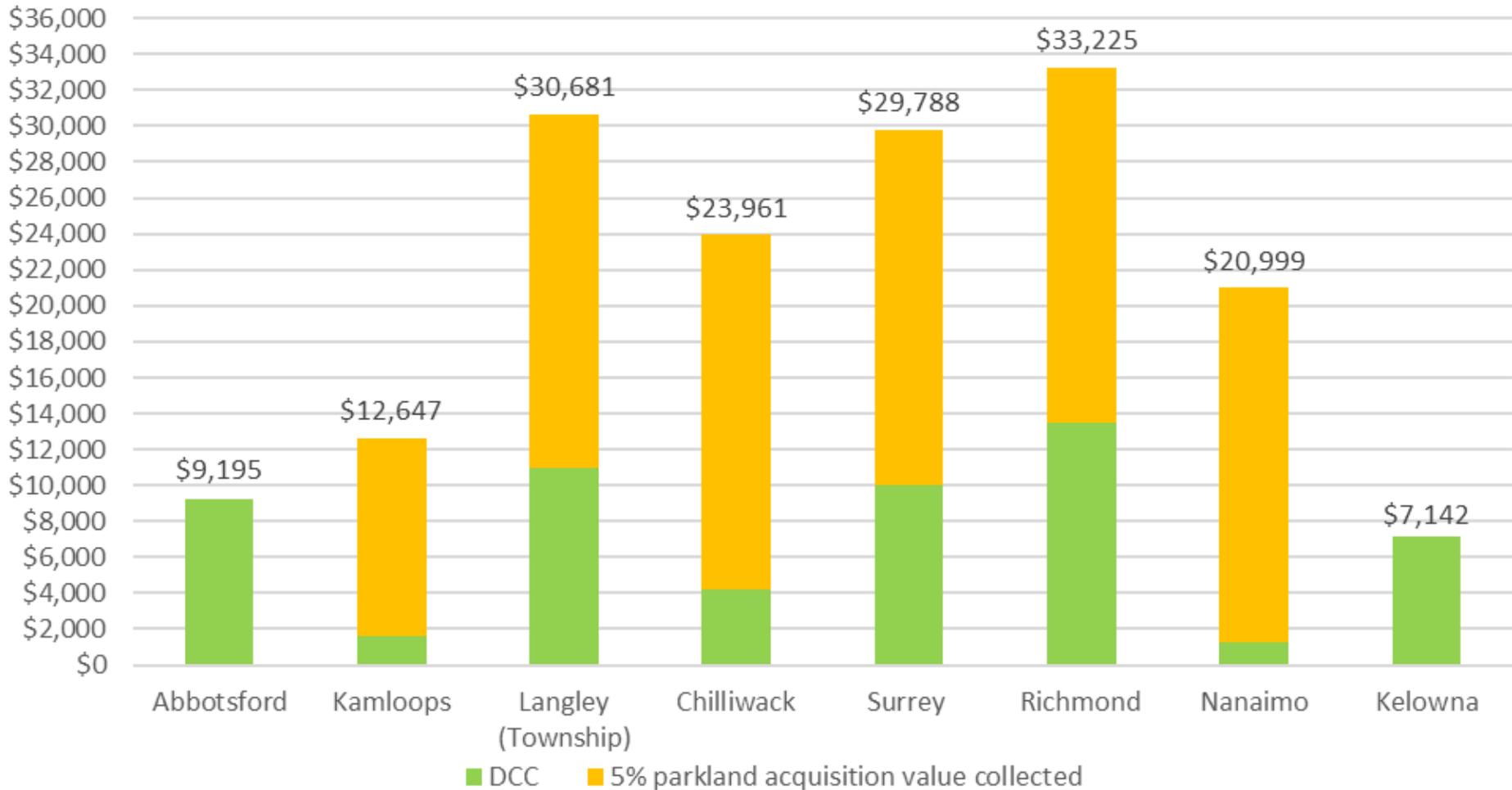
Kelowna –has not utilized available funding strategies:

- 5% Parkland Dedication (except Abbotsford)
- Parks Development DCC (except Surrey & Chilliwack)

Parks DCCs in Okanagan Communities



Parks DCCs in Other BC Communities



- Parks Acquisition DCC
- Parks Development DCC
- Municipal Contribution



Parks Acquisition Tools

- 5% Parkland dedication at Sub-division
- Linear Parks Acquisition DCC
- Commercial/Industrial/Institutional Parks Acquisition DCC
- Shift of priority from acquisition to development



Linear Park Acquisition DCCs

Priorities:

- Waterfront walkway
- Okanagan Rail Trail
- Mill Creek
- Bellevue Creek
- Gopher Creek
- Mission Creek – Lakeshore to the Lake



Commercial/Industrial Park DCCs

Regional Centre

- Employment
- Retail
- Health
- Education

Increased Use

- Daily – lunches & breaks
- Visitor Use

Other Municipalities



Parkland Standards

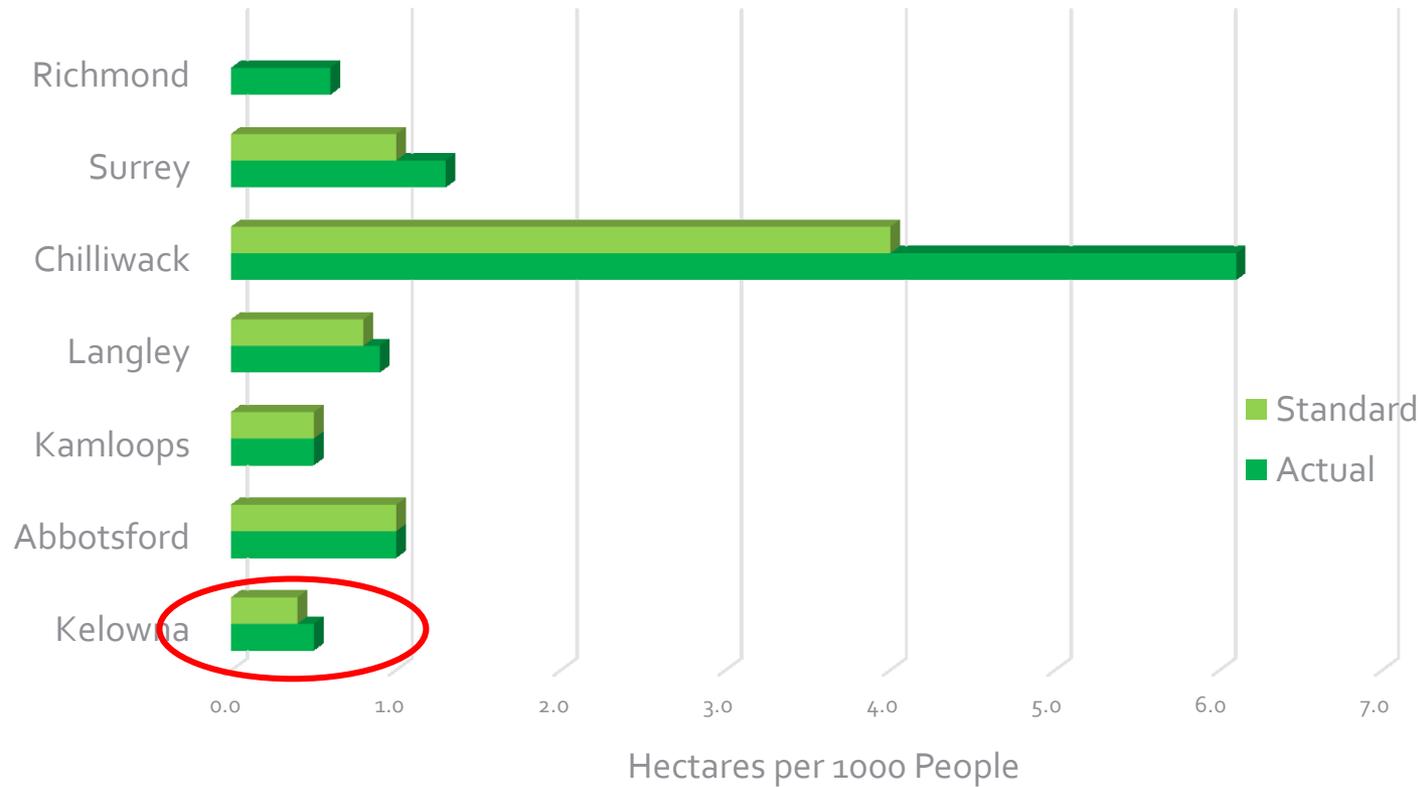




Parkland Standards



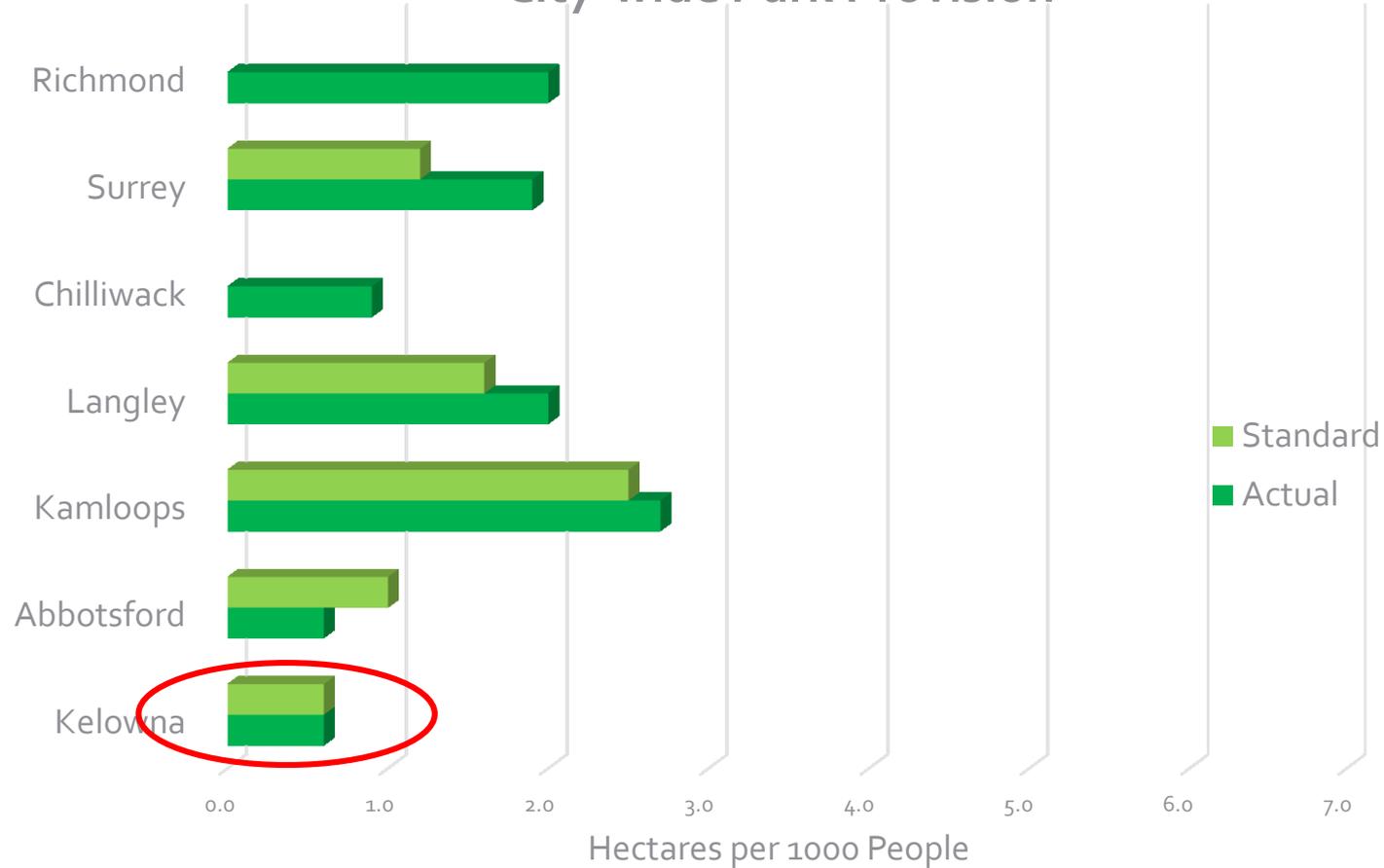
Community Park Provision





Parkland Standards

City-wide Park Provision



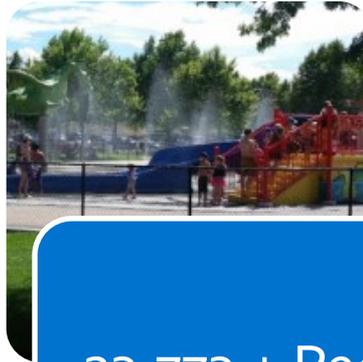


Parks Development DCC



Parks
Capital
Program

Park Development Program



Deliver 2.2ha
Developed
Parks /1000
people growth

23,773 + People
to 2030

Parks
development in
Growth Areas

- Target to match acquisition rates



Parks Development DCC

Parks
Capital
Program

-

Ineligible
Elements



Eligible / Ineligible Park Elements

Not included in Program:

- Sport courts
- Bike park
- Parking
- Park Lighting
- Off-site work

Eligible / Ineligible Elements



GLENMORE RECREATION PARK | OVERALL CONCEPT

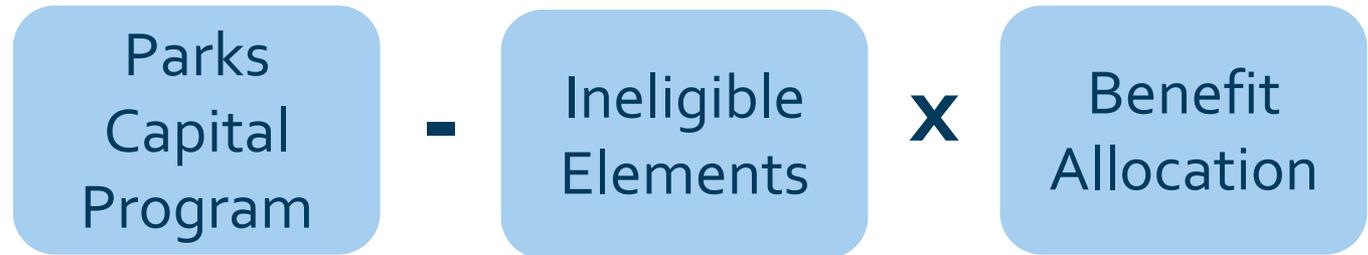


GLENMORE RECREATION PARK | DCC INELIGIBLE ITEMS

- Not Included in Program**
- Artificial turf
 - Sport courts
 - Skate park
 - Park lighting
 - Parking and drive access
 - Field houses
 - Activity centre
 - Off-site requirements



Parks Development DCC



Park Development Program



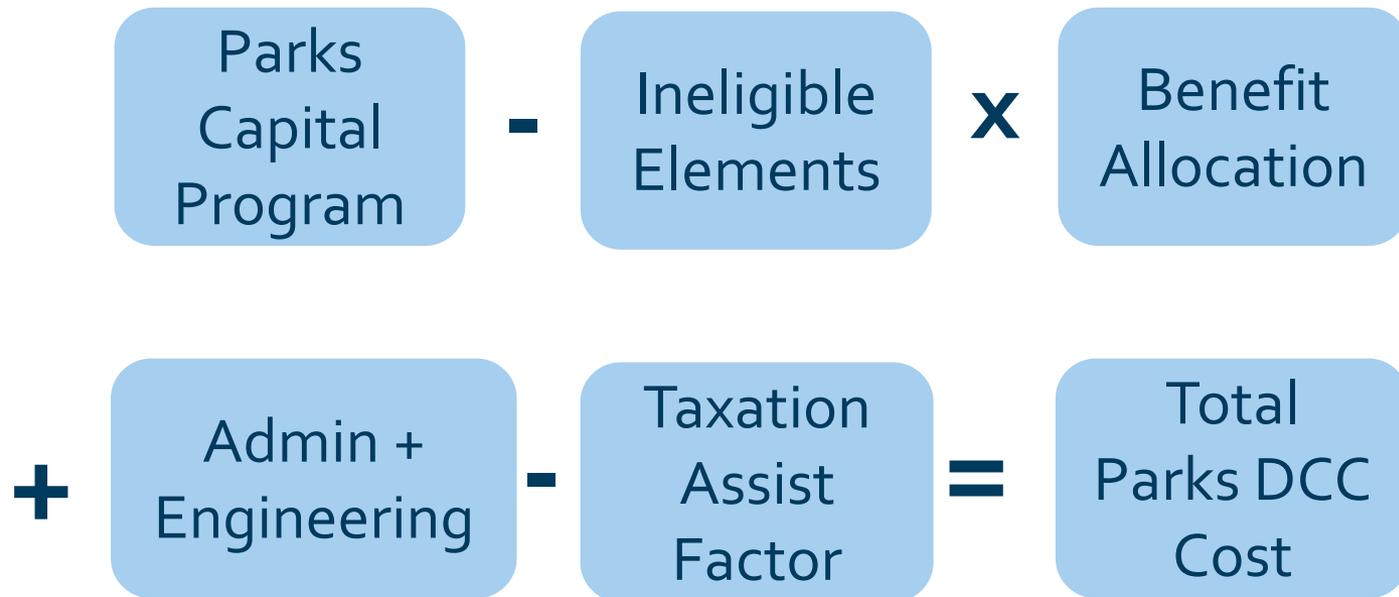
Deliver 2.2ha
Developed
Parks /1000
people growth

23,773 + People
to 2030

Parks
development in
Growth Areas

- Target to match acquisition rates

Parks Development DCC





Municipal Contribution

- Taxation Assist
- Infrastructure Levy
- Parks Revenues



Taxation Assist

- 'Municipal discount' to promote development
- Currently 8% + 3.4% for suites
- LGA requires a minimum of 1%



Taxation Assist

Community	Parks DCC Assist
Kelowna	8% (+ 3.4% for suites)
Surrey	5%
Richmond	1%
Kamloops	1%
Langley	1%
Chilliwack	10%
Abbotsford	5%



Infrastructure Levy

- Report assumes 27% of levy funds: \$1,404,000 per annum
- Can be reduced over time as other funding increases



Park Revenues

Leases, Rental Revenues & Concessions

- \$219,000 per annum

Cell Tower Leases

- Currently \$5,000 per annum
- Could increase by \$20,000 per annum

Parking Revenues

- \$214,000 per annum

	2019	A	B	C	D	2021
	Current Baseline DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition						
Existing DCCs						
<i>Neighbourhood</i>		✓	✗	✓	✗	
<i>Community</i>		✓	✓	✓	✓	
<i>Recreation</i>		✓	✓	✓	✓	
<i>City-wide</i>		✓	✓	✓	✓	
New Linear Parkland Acquisition DCCs		✓	✓	✓	✓	
New Commercial/Industrial Acquisition DCCs		Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication		✗	✓	✗	✓	
Reduce taxation assist to 1% + 3.4%						✓
Total Acquisition DCCs (per residential unit)	\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development						
New DCCs						
<i>Neighbourhood</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Community</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Recreation</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>Linear</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>City-wide</i>		✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs		✓	✓	✓	✓	
Reduce taxation assist to 1% + 3.4%						✓
Total Development DCCs (per residential unit)	\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)	\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645

Matching Revenue Sources						
Parks Program						
Total Parks DCC Revenues (per annum)	\$7,717,645	\$15,697,153	\$13,653,739	\$15,697,153	\$13,653,739	\$16,905,595
<i>Ineligible Parks Costs (per annum)</i>	\$0	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189	\$3,296,189
<i>Taxation assist (per annum)</i>	\$993,015	\$2,097,847	\$1,834,297	\$2,097,847	\$1,834,297	\$809,695
Sub-total - Matching Municipal Contribution (per annum)	\$993,015	\$5,394,036	\$5,130,486	\$5,394,036	\$5,130,486	\$4,105,884
Total Parks Program (per annum)	\$8,710,660	\$21,091,189	\$18,784,225	\$21,091,189	\$18,784,225	\$21,011,480
Municipal Revenues						
Taxation/Gas Tax (10-year capital plan) (per annum)	\$994,538	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173	\$3,550,173
Infrastructure Levy (27%) (per annum)	\$0	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000	\$1,404,000
Parkland Revenues (per annum)	\$0	\$453,500	\$453,500	\$453,500	\$453,500	\$453,500
Municipal revenues surplus (or deficit) (per annum)	\$1,522	\$13,637	\$277,187	\$13,637	\$277,187	\$1,301,789



Parks Acquisition

- 5% Parkland Dedication ✘
- Linear Parks Acquisition DCC ✔
- Commercial/Industrial/Institutional Parks Acquisition DCC ✔
- Shift of priority from acquisition to development ✔

		Current Parks DCC	Model A - Full implementation
Parkland Acquisition			
Existing DCCs	<i>Neighbourhood</i>	✓	✓
	<i>Community</i>	✓	✓
	<i>Recreation</i>	✓	✓
	<i>City-wide</i>	✓	✓
New Linear Parkland Acquisition DCCs			✓
New Commercial/Industrial Acquisition DCCs			1/2 ✓
5% Parkland dedication			X
Reduce taxation assist to 1% + 3.4%			
Total Acquisition DCCs (per residential unit)		\$7,142	\$7,346



Parks Development DCC



- Parks Development DCC ✓
- Commercial/Industrial/Institutional Parks Development DCC ✓

Parkland Development

New DCCs	<i>Neighbourhood</i>		✓
	<i>Community</i>		✓
	<i>Recreation</i>		✓
	<i>Linear</i>		✓
	<i>City-wide</i>		✓
New Commercial/Industrial Development DCCs			✓
Reduce taxation assist to 1% + 3.4%			
Total Development DCCs (per residential unit)		\$0	\$7,180
Total Existing and New Parks DCCs (per unit)		\$7,142	\$14,526



Municipal Contribution



- Reduce the Taxation Assist ✘ 2021
- Infrastructure Levy – 27% ✓
- Parks Revenues ✓

Matching Revenue Sources		
Parks Program		
Total Parks DCC Revenues (per annum)	\$7,717,645	\$15,697,153
<i>Ineligible Parks Costs (per annum)</i>	\$0	\$3,296,189
<i>Taxation assist (per annum)</i>	\$993,015	\$2,097,847
Sub-total - Matching Municipal Contribution (per annum)	\$993,015	\$5,394,036
Total Parks Program (per annum)	\$8,710,660	\$21,091,189
Municipal Revenues		
Taxation/Gas Tax (10-year capital plan) (per annum)	\$994,528	\$3,550,173
Infrastructure Levy (27%) (per annum)	\$0	\$1,404,000
Parkland Revenues (per annum)	\$0	\$453,500
Municipal revenues surplus (or deficit) (per annum)	\$1,512	\$13,637

Parks Development

- Include 5% parkland dedication ?
- Stagger implementation over several years ?
- Combination of latter two ?

	2019	A	B	C	D	2021
	Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition						
New Commercial/Industrial Acquisition DCCs		Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication		X	✓	X	✓	✓
Reduce taxation assist to 1% + 3.4%						✓
Total Acquisition DCCs (per residential unit)	\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development						
New DCCs						
<i>Neighbourhood</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Community</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Recreation</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>Linear</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>City-wide</i>		✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs		✓	✓	✓	✓	
Reduce taxation assist to 1% + 3.4%						✓
Total Development DCCs (per residential unit)	\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)	\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645

Parks Development

- Stagger implementation over several years ?
 - 2020 (Year 1): Neighbourhood & Community
 - 2021 (Year 2): Recreational & Linear
 - 2022 (Year 3): City-wide

	2019	A	B	C	D	2021
	Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition						
New Commercial/Industrial Acquisition DCCs		Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication		X	✓	X	✓	✓
Reduce taxation assist to 1% + 3.4%						✓
Total Acquisition DCCs (per residential unit)	\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development						
New DCCs						
<i>Neighbourhood</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Community</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Recreation</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>Linear</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>City-wide</i>		✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs		✓	✓	✓	✓	
Reduce taxation assist to 1% + 3.4%						✓
Total Development DCCs (per residential unit)	\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)	\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645

	2019	A	B	C	D	2021
	Current Parks DCC	Model A - Full implementation	Model B - With 5% parkland dedication	Model C - Staggered implementation	Model D - Staggered plus 5% dedication	2040 OCP DCC update (2021)
Parkland Acquisition						
New Commercial/Industrial Acquisition DCCs		Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	Yr 2 ✓	✓
5% Parkland dedication		X	✓	X	✓	✓
Reduce taxation assist to 1% + 3.4%						✓
Total Acquisition DCCs (per residential unit)	\$7,142	\$7,346	\$5,455	\$7,346	\$5,455	\$7,897
Parkland Development						
New DCCs						
<i>Neighbourhood</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Community</i>		✓	✓	Yr 1 ✓	Yr 1 ✓	
<i>Recreation</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>Linear</i>		✓	✓	Yr 2 ✓	Yr 2 ✓	
<i>City-wide</i>		✓	✓	Yr 3 ✓	Yr 3 ✓	
New Commercial/Industrial Development DCCs		✓	✓	✓	✓	
Reduce taxation assist to 1% + 3.4%						✓
Total Development DCCs (per residential unit)	\$0	\$7,180	\$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	Yr 1 \$3,956 Yr 2 \$5,553 Yr 3 \$7,180	\$7,748
Total Existing and New Parks DCCs (per unit)	\$7,142	\$14,526	\$12,635	Yr 1 \$11,384 Yr 2 \$12,899 Yr 3 \$14,526	Yr 1 \$9,411 Yr 2 \$11,008 Yr 3 \$12,635	\$15,645

Policy Framework



Imagine Kelowna

- Create great public spaces
- Grow vibrant urban centres
- Build healthy neighbourhoods for all



2040 Official Community Plan

- Big moves :
 - Prioritizing parks and public spaces in the Core area



2019 Council Priorities

- Vibrant urban centres
- Animated parks & public spaces
- Accessible & multi-purpose amenities

2040 OCP Big Moves



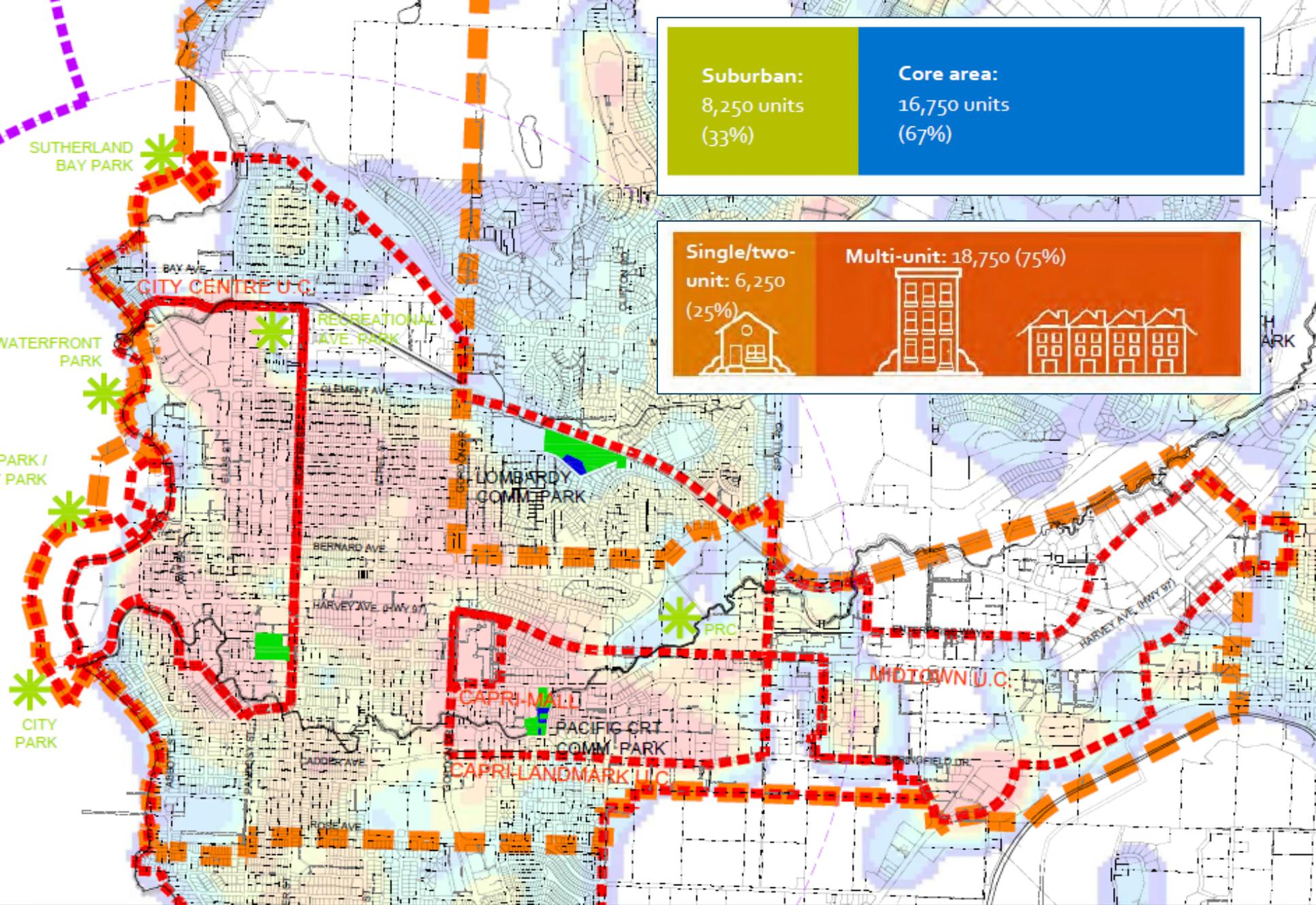
Prioritize Parks and Public Spaces
in the Core Area



Prepare a Resilient Community that is
Adaptable to Change



Connect Our Urban Centres with Multimodal
Transportation Options



Suburban: 8,250 units (33%)	Core area: 16,750 units (67%)
------------------------------------------	--------------------------------------------

Single/two-unit: 6,250 (25%) 	Multi-unit: 18,750 (75%)  
----------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Growth Strategy



Threat to
Community
Resilience

Runaway
Park
Deficit

Reduced
Livability

Threatened
Growth
Strategy

Reduced
Social
Cohesion

Reduced
Economic
Viability

Fewer
Health
Options

Photo credit: brucekepphography

Community Risks



Community
for All

Photo credit: brucekepphotography

Community Building



Community
for All

Social
Connection

Photo credit: brucekepphotography

Community Building

kelowna.ca²⁸⁰



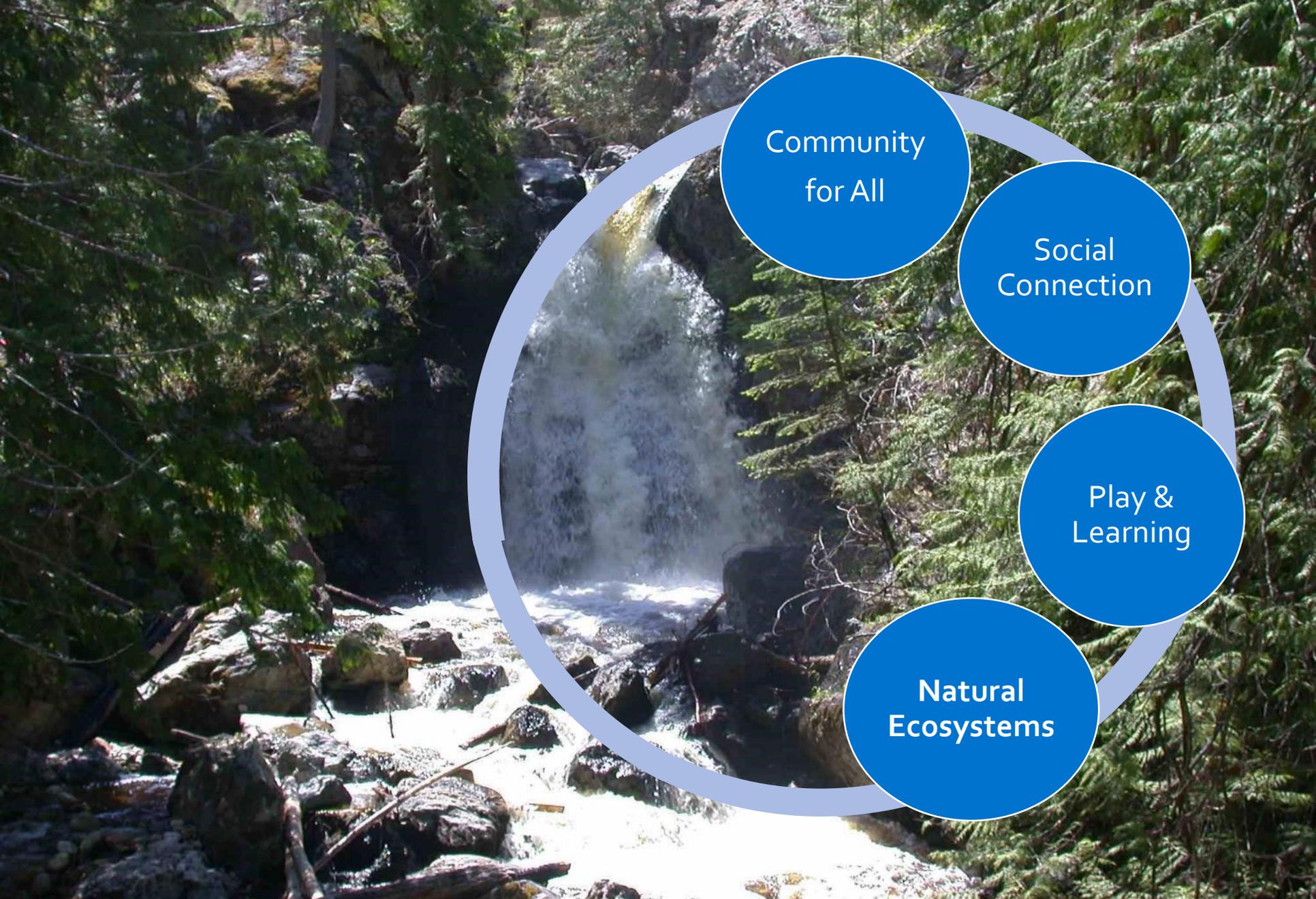
Community
for All

Social
Connection

Play &
Learning

Photo credit: brucekepphotography

Community Building



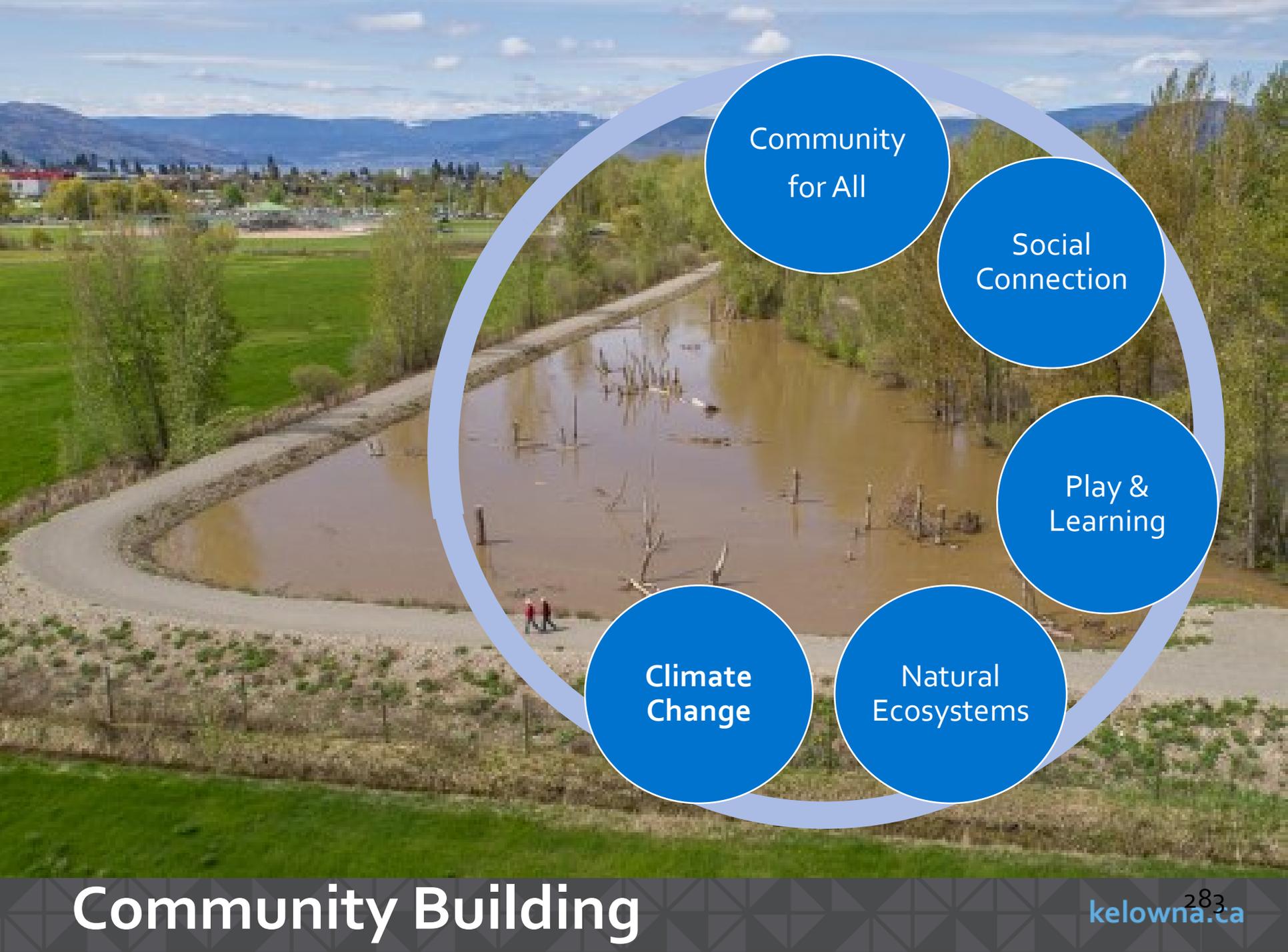
Community
for All

Social
Connection

Play &
Learning

Natural
Ecosystems

Community Building



Community
for All

Social
Connection

Play &
Learning

Climate
Change

Natural
Ecosystems

Community Building



Community
for All

Social
Connection

Mental
Health

Play &
Learning

Climate
Change

Natural
Ecosystems

Community Building



Photo credit: Kelownanow.com

Community
for All

Social
Connection

Active
Living

Play &
Learning

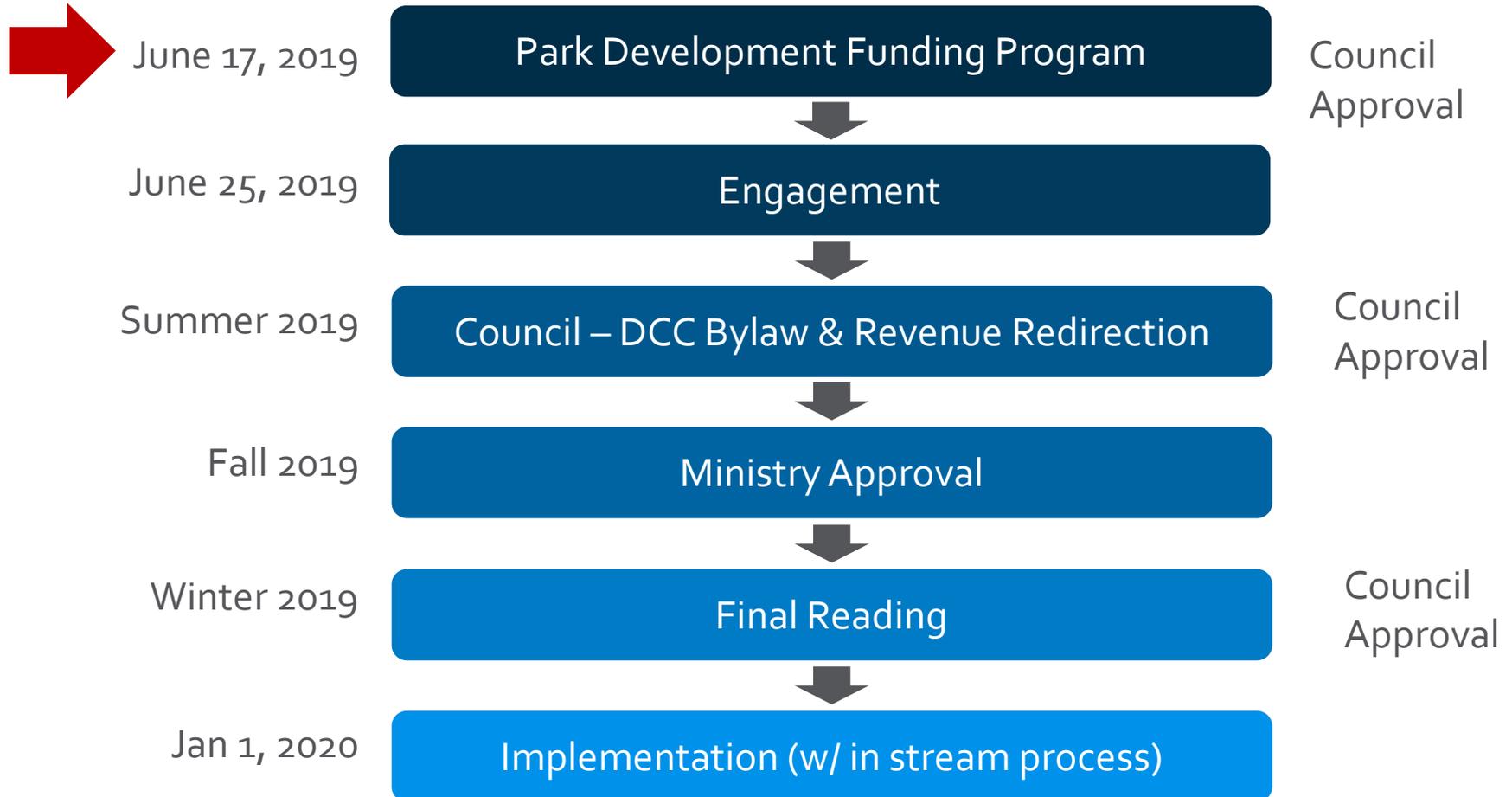
Mental
Health

Natural
Ecosystems

Climate
Change

Community Building

Next Steps





Conclusion

Acquisition + Development
Total Parks DCC Revenues:

- \$15,657,153 per annum
- \$156.5 million over ten years



Conclusion

+ Infrastructure Levy + Parks Revenues

Total Parks Program:

- \$211 million over ten years
- of which, \$107 million for development

Ten Year Capital Plan

	P1	P2
	\$ million	\$ million
Park Development		
Neighbourhood Park	\$2.60	\$13.31
Community	\$10.25	\$38.97
Recreation	\$4.75	\$35.42
City-wide	\$9.85	\$36.22
Linear	\$4.11	\$6.62
Total	\$31.56	\$130.54

66%



Conclusion

Examples:

- 19 Neighbourhood Parks
- Rutland Centennial, De Hart, & Gallagher
- Improvements at all four Rec Parks
- Kerry Park, City Park & South Pandosy Waterfront

A person is standing in a water fountain, splashing water. The scene is set at sunset, with the sun low on the horizon, creating a warm, golden glow. In the background, there are several large, dome-shaped structures, possibly greenhouses or covered walkways. The water is captured in mid-air, creating a dynamic and energetic atmosphere. The overall mood is one of optimism and forward-looking action.

**'The future belongs to
those who prepare for it
today'** Malcom X

Council Resolution

THAT Council receives for information, the report from the Parks & Buildings Planning Manager dated June 17, 2019 with respect to the Parks Development Funding Program;

AND THAT Council directs staff to proceed with engaging with the public and key stakeholders on the Parks Development Funding Program Report, identifying Model A – Full Implementation, as the preferred model, and report back to Council with a proposed bylaw for the Parks DCC;

AND THAT Council directs staff to return to Council with a policy to assign all revenues generated within the parks system to the General Parks Development Reserve;

AND FURTHER THAT Council directs staff to return to Council with an increase in parking fees at the Cook Road Boat Launch and Rotary Beach as set out in this report.



Questions?

For more information, visit kelowna.ca.

Report to Council



Date: June 17, 2019
File: 0610-02
To: City Manager
From: City Clerk
Subject: Council Code of Conduct Policy

Recommendation:

THAT Council receives, for information, the report from the City Clerk dated June 17, 2019 with respect to a Council Code of Conduct Policy

Purpose:

To provide Council with background information regarding the creation of a Council Code of Conduct Policy.

Background:

Council expressed an interest in drafting a Code of Conduct that would establish written expectations in how they conduct themselves as members of Council. These would be a voluntary Code that reflect Council's principles and values, which are being established as part of the Council Priorities setting workshops. The UBCM Working Group on Responsible Conduct has published a Model Code of Conduct and a Companion Guide (attached) to assist Councils in developing their own Code. Some local governments refer to such documents as a "Code of Ethics" rather than as a "Code of Conduct". The District of Oak Bay Council Code of Ethics is provided as an example of a recently adopted Code. The City of Surrey voted recently to create an ombudsperson, whistleblower protection and lobbyist registry, and is the first BC municipality to proceed with such an initiative.

Staff suggest that if a Code developed and adopted by Council, that it be relatively brief, and not overly proscribed in nature. The greatest challenge Codes present is how transgressions of the Code are dealt with. Council's options for disciplining a fellow elected official are limited under the current provincial legislation.

Legal/Statutory Procedural Requirements:

A Code of Conduct, if supported, should be adopted as a Council Policy, adopted at an afternoon Council meeting.

Existing Policy:

Elected Officials Oath of Office Bylaw No.10705

Council developed its own Oath of Office, which is reaffirmed at each Tuesday evening Council meeting. The four points contained in the Oath could also form the basis for the Code of Conduct:

- To perform the duties of the office of (Mayor)(Councillor) faithfully and with integrity;
- To abide by the statutes, bylaws and policies that govern the City and promote openness, accountability, and responsible leadership;
- To provide stewardship of the public assets through the development and evaluation of the City's policies and programs; and
- To always consider the well-being and interests of the community as a whole, leading the development of a safe, vibrant and sustainable City

Considerations not applicable to this report:

Internal Circulation:

Legal/Statutory Authority:

Financial/Budgetary Considerations:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:

Stephen Fleming
City Clerk

Approved for inclusion: City Manager

cc: City Manager
Deputy City Clerk

Attachments:

UBCM Model Code of Conduct
UBCM Code of Conduct Companion Guide
Oak Bay Code of Ethics

MODEL CODE OF CONDUCT

Getting Started on a Code of Conduct for Your Council / Board

Produced by the Working Group on Responsible Conduct

August 2018



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The Working Group on Responsible Conduct is a joint initiative between the Union of BC Municipalities, the Local Government Management Association, and the Ministry of Municipal Affairs & Housing. The Group was formed to undertake collaborative research and policy work around issues of responsible conduct of local government elected officials.

INTRODUCTION & EXPLANATORY NOTES

What is a Code of Conduct?

- A Code of Conduct is a written document that sets shared expectations for conduct or behaviour. A local government council or board can adopt a Code of Conduct to establish shared expectations for how members should conduct themselves while carrying out their responsibilities and in their work as a collective decision-making body for their community.
- Responsible conduct of elected officials is not optional; it is essential to good governance. Responsible conduct is grounded in conducting oneself according to principles such as honesty and integrity, and in a way that furthers a local government's ability to provide good governance to their community (e.g. governing in a way that is transparent, ethical, accountable, respectful of the rule of law, collaborative, effective, and efficient).
- A Code of Conduct is one tool that can be used by a local government council or board to promote or further responsible conduct.

What is the purpose of this document?

- The purpose of this document is to provide local government council or board members with a model Code of Conduct which establishes a set of principles and general standards of conduct that can be used as a starting point to develop their own Code of Conduct.
- This model Code of Conduct may also be useful for councils or boards who already have a Code of Conduct in place, but wish to review or refresh the document following the 2018 general local elections.
- The Working Group on Responsible Conduct has also developed a "Companion Guide" to accompany this document that provides discussion questions, things to keep in mind, and other tips to facilitate a council or board's conversation in developing a Code of Conduct.
- The general standards of conduct set out in this model Code of Conduct reflect the foundational principles of integrity, respect, accountability, and leadership and collaboration.¹ Every Code of Conduct should be built on these key foundational principles.
- Councils or boards may choose to customize and expand on the general standards of conduct provided in this model Code of Conduct by:
 - Adding examples of specific behaviours or other details to further elaborate on the standards of conduct that are provided;
 - Including additional standards of conduct that address topics of importance to the council or board and which are not directly dealt with by the standards of conduct already provided; and/or
 - Incorporating, referencing or attaching other policies that are generally related to responsible conduct (such as social media policies), where a council or board feels it is appropriate.

¹ The Working Group on Responsible Conduct identified four foundational principles that can be used to guide the conduct of local elected officials in B.C. More information about these principles can be found [here](#).

What are some considerations in developing and using a Code of Conduct?

- In developing a Code of Conduct, council or board members should consider not just the content of the Code of Conduct, but also how to make it meaningful for members, both as individuals and as a collective decision-making body. While there is no 'right' way to develop and use a Code of Conduct, councils or boards should consider the following to maximize the effectiveness of their Code of Conduct:
 - *Don't overlook the importance of the process when developing and adopting a Code of Conduct:* How a Code of Conduct is developed and adopted matters; providing opportunities for council or board members to discuss the language and content of the Code of Conduct and how it can best be customized to meet the needs of the council or board, and individual members, is important to ensure its effectiveness. Discussing shared expectations as a part of the orientation process for newly elected officials, or including the Code of Conduct as an outcome of a strategic planning process (with dedicated follow-up opportunities for development) could be good ways of ensuring a Code of Conduct is adopted in a meaningful way.
 - *Make the Code of Conduct meaningful:* Finding ways to integrate the Code of Conduct into the council or board's ongoing governance will help ensure that it remains a relevant and effective living document. For instance, some councils or boards may choose to refer to the Code of Conduct at every meeting; others may have a copy included in every agenda package or framed on the wall in the meeting room or placed on the desk of each elected official as a regular point of reference.
 - *Make sure the Code of Conduct is consistent with existing laws and policies:* Council or board members may include a variety of topics in their Code of Conduct. Where existing laws or policies deal with topics they choose to include in their Code of Conduct (i.e. privacy legislation; Human Resources policies; etc.), they must ensure that their Code of Conduct is consistent with those laws and policies.
 - *Offer ongoing advice, education and support:* A council or board will also want to consider how members can best be supported in working with their Code of Conduct. This could include, for example, general education around the purpose of Codes of Conduct, opportunities for members to receive specific advice on how the Code of Conduct should be interpreted and applied, as well as other ongoing opportunities for support and education – for example, orientation when new members join the council or board or regular debriefings following council or board meetings to discuss how effectively the Code of Conduct guided the discussion.
 - *Revisit it regularly:* Council or board members should approach their Code of Conduct as a living document to be reviewed and amended from time to time, to ensure that it remains a relevant and effective tool.

MODEL CODE OF CONDUCT ²

A. INTRODUCTION

As local elected representatives (“members”), we recognize that responsible conduct is essential to providing good governance for the [city / municipality / regional district / district] of [name of local government].

We further recognize that responsible conduct is based on the foundational principles of integrity, accountability, respect, and leadership and collaboration.

In order to fulfill our obligations and discharge our duties, we are required to conduct ourselves to the highest ethical standards by being an active participant in ensuring that these foundational principles, and the standards of conduct set out below, are followed in all of our dealings with every person, including those with other members, staff, and the public.

B. HOW TO APPLY AND INTERPRET THIS CODE OF CONDUCT

This Code of Conduct applies to the members of [city / municipality / regional district / district] of [name of local government]. It is each member’s individual responsibility to uphold both the letter and the spirit of this Code of Conduct in their dealings with other members, staff, and the public.

Elected officials must conduct themselves in accordance with the law. This Code of Conduct is intended to be developed, interpreted and applied by members in a manner that is consistent with all applicable Federal and Provincial Laws, as well as the bylaws and policies of the local government, the common law and any other legal obligations which apply to members individually or as a collective council or board.

² Some sections of this Code of Conduct include additional information in a shaded box. This information is for guidance and context only, and is not intended to be included in a local government’s Code of Conduct.

C. FOUNDATIONAL PRINCIPLES OF RESPONSIBLE CONDUCT

Information about the Foundational Principles:

The foundational principles of integrity, respect, accountability and leadership and collaboration have been identified by the Working Group on Responsible Conduct as being important to promoting and furthering responsible conduct and should be incorporated into every Code of Conduct.

A high-level definition of each foundational principle, along with a general description of the type of conduct that upholds each principle, is provided below. These principles are intended to provide members with a shared understanding of responsible conduct and guide them in fulfilling their roles and responsibilities both as individual elected officials and as a collective council or board. Key standards of conduct are set out in subsequent sections of this model Code of Conduct to provide specific examples of the types of conduct that demonstrate the foundational principles.

These four principles, in conjunction with the key standards of conduct, can be used as a guide for elected officials against which to assess their own conduct.

1. **Integrity** – means being honest and demonstrating strong ethical principles. Conduct under this principle upholds the public interest, is truthful and honourable.
2. **Respect** – means having due regard for others’ perspectives, wishes and rights; it also means displaying deference to the offices of local government, and the role of local government in community decision making. Conduct under this principle is demonstrated when a member fosters an environment of trust by demonstrating due regard for the perspectives, wishes and rights of others and an understanding of the role of the local government.
3. **Accountability** – means an obligation and willingness to accept responsibility or to account for ones actions. Conduct under this principle is demonstrated when council or board members, individually and collectively, accept responsibility for their actions and decisions.
4. **Leadership and Collaboration** – means an ability to lead, listen to, and positively influence others; it also means coming together to create or meet a common goal through collective efforts. Conduct under this principle is demonstrated when a council or board member encourages individuals to work together in pursuit of collective objectives by leading, listening to, and positively influencing others.

D. OPTIONAL: VALUE STATEMENTS

Information about including Value Statements:

A council or board may wish to customize their Code of Conduct to include ‘value statements’. These are high-level statements that identify the values that the council or board consider important and feels should be included for context in their Code of Conduct.

A council or board may find the “Companion Guide” to this Code of Conduct useful as they consider how ‘value statements’ may be incorporated into their own Code of Conduct.

E. STANDARDS OF CONDUCT

Information about the Standards of Conduct:

The following section provides general standards of conduct that reflect the foundational principles identified above. A council or board can customize their Code of Conduct by including additional standards of conduct, or by expanding on existing standards of conduct to more clearly demonstrate how a member can exemplify responsible conduct.

A council or board may find the “Companion Guide” to this Code of Conduct useful as they consider how these general standards of conduct may be customized to best fit their needs.

Integrity: Integrity is demonstrated by the following conduct:

- Members will be truthful, honest, and open in all dealings, including those with other members, staff and the public.
- Members will ensure that their actions are consistent with the shared principles and values collectively agreed to by the council or board.
- Members will follow through on their commitments, correct errors in a timely and transparent manner, and engage in positive communication with the community.
- Members will direct their minds to the merits of the decisions before them, ensuring that they act on the basis of relevant information and principles and in consideration of the consequences of those decisions.
- Members will behave in a manner that promotes public confidence in all of their dealings.

Respect: Respect is demonstrated through the following conduct:

- Members will treat every person with dignity, understanding, and respect.
- Members will show consideration for every person’s values, beliefs, and contributions to discussions.
- Members will demonstrate awareness of their own conduct, and consider how their words or actions may be perceived as offensive or demeaning.
- Members will not engage in behaviour that is indecent, insulting or abusive. This behaviour includes unwanted physical contact, or other aggressive actions that may cause any person harm or makes them feel threatened.

Accountability: Accountability is demonstrated through the following conduct:

- Members will be responsible for the decisions that they make and be accountable for their own actions and the actions of the collective council or board.
- Members will listen to and consider the opinions and needs of the community in all decision-making, and allow for appropriate opportunities for discourse and feedback.
- Members will carry out their duties in an open and transparent manner so that the public can understand the process and rationale used to reach decisions and the reasons for taking certain actions.

Leadership and Collaboration: Leadership and collaboration is demonstrated through the following conduct:

- Members will behave in a manner that builds public trust and confidence in the local government.
- Members will consider the issues before them and make decisions as a collective body. As such, members will actively participate in debate about the merits of a decision, but once a decision has been made, all members will recognize the democratic majority, ideally acknowledging its rationale, when articulating their opinions on a decision.
- Members will recognize that debate is an essential part of the democratic process and encourage constructive discourse while empowering other members and staff to provide their perspectives on relevant issues.

- As leaders of their communities, members will calmly face challenges, and provide considered direction on issues they face as part of their roles and responsibilities while empowering their colleagues and staff to do the same.
- Members will recognize, respect and value the distinct roles and responsibilities others play in providing good governance and commit to fostering a positive working relationship with and among other members, staff, and the public.
- Members will recognize the importance of the role of the chair of meetings, and treat that person with respect at all times.

F. OPTIONAL: ADDITIONAL POLICIES

Information about including Additional Policies:

A council or board may choose to include additional policies as part of their Code of Conduct. These additional policies may be useful in addressing matters of importance that require deeper attention or that are connected to the four foundational principles. Some examples of the types of policies that a council or board could include are provided below.

A council or board may want to consult the “Companion Guide” for tips and resources for including additional policies (e.g. examples of social media policies from particular local governments).

Policies About Communications

- *Use of social media by members.*
- *How members communicate as representatives of the local government.*

Policies About Personal Interaction

- *Interactions between members and others, such as the public, staff, bodies appointed by the local government, and other governments and agencies (e.g. respectful workplace policies).*
- *Roles and responsibilities of staff and elected officials.*

Policies About How Information is Handled

- *Proper handling and use of information, including information which is confidential or otherwise protected and is made available to members in the conduct of their responsibilities.*
- *Retention and destruction of records.*
- *How and when information that was relevant to the decision making process is made publicly available.*

Policies About Other Matters

- *Creation, use, and retention of the local government’s intellectual property.*
- *Personal use of local government resources.*
- *Receipt of gifts and personal benefits by members.*
- *Provision of remuneration, expenses or benefits to members in relation to their duties as members.*

Getting Started on a Code of Conduct for Your Council / Board

August 2018

Produced by the Working Group on Responsible Conduct

What is Responsible Conduct?

Responsible conduct is grounded in conducting oneself according to principles such as honesty and integrity, and in a way that furthers a local government's ability to provide good governance to their community

Keep in mind...

before thinking about the content of your Code of Conduct, ensure that everyone is on the same page about what you want to achieve and how you want to get there. Agreeing on the objectives and the process upfront will help make the Code of Conduct more meaningful and successful

Introduction

The Working Group on Responsible Conduct has developed a model Code of Conduct that can be used as a starting point by local government councils/boards to develop their own customized Code of Conduct.

This companion guide provides discussion questions, things to keep in mind, and other helpful tips and resources to facilitate a council/board's conversation in developing their own Code of Conduct. This guide is also useful for councils/boards that already have a Code of Conduct in place, but may want to review or refresh it following the 2018 general local elections.

What is a Code of Conduct?

A Code of Conduct is a written document that sets shared expectations for conduct or behaviour. A council/board can adopt a Code of Conduct to establish expectations for how members should conduct themselves while carrying out their responsibilities, and in their work as a collective decision-making body for their community.

Responsible conduct of elected officials is not optional; it is essential to good governance. A Code of Conduct is one tool that can be used by a local government council/board to promote or further responsible conduct.

Before you get Started

Before you discuss the content of your Code of Conduct, it is important to ensure that all council/board members understand the purpose of embarking on the development of a Code of Conduct, have clear expectations about what the Code of Conduct will and will not do, and that there is consensus on the process for developing it.

Ensuring that everyone is on the same page before diving into the details of your Code of Conduct will help make the development process easier and the Code of Conduct more meaningful. Ask yourselves:

- Q Why is developing a Code of Conduct important to us?
- Q What are our key objectives in developing a Code of Conduct?
- Q Do we each understand the role of a Code of Conduct (i.e. that it is in addition to, not instead of, legal rules and local government policies)?
- Q What kind of process do we want to undertake to develop our Code of Conduct? Do we want to do this ourselves, with staff or get assistance from a facilitator or other consultant?
- Q Would we benefit from training or education about responsible conduct or Codes of Conduct generally before we get started on developing our own?

★ **TIP:** It may take multiple sessions and a variety of approaches to develop a Code of Conduct that works for you – don't feel you have to get it done in one sitting or using any one particular method.

Setting the Scope

Developing a Code of Conduct requires consideration about its scope, including who it applies to and in what capacity. For example, the model Code of Conduct prepared by the Working Group on Responsible Conduct is intended to apply to local elected officials.

When thinking about the scope and application of your Code of Conduct, ask yourselves:

- Q Other than the elected members of your council/board, will the Code of Conduct apply to anyone else over which the local government has authority (e.g. senior staff)? If it includes staff, how will that work with existing policies and laws (e.g. employment contracts, collective agreements, workplace laws/policies)?
- Q Will the Code of Conduct apply to any or all of your local government committees and/or commissions? If so, are there specific considerations, limitations or criteria on how the Code of Conduct will apply to these bodies?
- Q Will the Code of Conduct apply to elected members in carrying out all of their roles and responsibilities in all circumstances (e.g. when an elected official sits on an advisory committee with members of the public and others not covered by a council/board's Code of Conduct)?

★ **TIP:** Make sure the scope of your Code of Conduct aligns with the objectives you initially identified for developing a Code of Conduct. The broader the scope of the Code of Conduct, the more difficult it may be to implement and put into practice.

Thinking about Principles & Values

The model Code of Conduct developed by the Working Group on Responsible Conduct is built on four key foundational principles -- *integrity, respect, accountability, and leadership and collaboration*. At a minimum, every Code of Conduct should incorporate these four principles, but your council/board may want to build on these principles and provide more context regarding the values and objectives underlying the Code of Conduct. Ask yourselves:

- Q Are there additional principles that are fundamentally important to our council/board (e.g. openness; impartiality; transparency)? If so, what are they and how are they defined? Should they be included in our Code of Conduct?
- Q Are there particular values that are important to us that should be explicitly articulated as value statements in our Code of Conduct (e.g. "we practice high standards of ethical behaviour and conduct our decision-making in an open and transparent way to inspire trust"; "we strive for continuous improvement")?
- Q Are there principles in our Code of Conduct that we want to include in other policies or procedures to ensure our expectations for conduct are consistent (e.g. ensure any principles set out in the procedure bylaw are consistent with principles set out in the Code of Conduct)?

★ **TIP:** Use clear, concise language that can be easily understood by everyone at all levels of the organization, as well as the public.

Keep in mind...

that elected officials must always conduct themselves in accordance with the law – this includes rules set out in local government legislation and other legislation, such as human rights rules. Ensure that your Code of Conduct is consistent with existing laws and policies

Keep in mind...

that a Code of Conduct does not need to be complex or elaborate – it simply needs to spell out the standards your council/board feels are important to be commonly understood

Setting Standards of Conduct

The model Code of Conduct developed by the Working Group on Responsible Conduct sets out a range of standards of conduct that reflect the four key foundational principles. Because these are broadly applicable, they are necessarily written as general statements.

Your council/board can customize by adding other standards, expanding on the ones provided or by providing specific statements or examples of expected behaviour. Ask yourselves:

Q Are there specific behaviours that should be identified and encouraged under our Code of Conduct? For example:

- members should listen courteously and attentively to all discussions at the council/board meeting, and focus on the business at hand
- members must make every effort to show up to all meetings on time and well prepared to take an active role in the business at hand
- members should always consider the impact that their choice of language may have on other individuals

Q Are there specific behaviors that should be identified and discouraged under our Code of Conduct? For instance:

- members must not interrupt each other during a meeting, including by talking over another person
- members must not engage in specific physical actions or language, such as shaking a fist, eye rolling, turning their back to people who are speaking, making faces, pointing aggressively, using curse words, or making comments about a person's appearance
- members must stop talking and pay attention when the chair is talking or seeking order

★ **TIP:** No Code of Conduct will capture every situation that may arise. Consider which standards of conduct matter the most to your council/board now and incorporate additional standards as needed.

★ **TIP:** Look at other published Codes of Conduct for ideas you feel may be appropriate for your council/board's Code of Conduct (see "List of Resources & Helpful Links" section of this guide).

★ **TIP:** Ensure that your standards of conduct are clear and easy to interpret (e.g. any member should be able to see whether they are or are not meeting the standard).

Keep in mind...

that it is important to balance rules about appropriate conduct (including language, communication and other physical actions) with the importance of open discourse that is necessary for governing bodies

Keep in mind...

that achieving consensus at the council/board table about the content of the Code of Conduct may be challenging, but having these difficult conversations is an important part of developing a meaningful Code of Conduct

Incorporating other Policies

Local governments are likely to have a range of existing policies on a number of topics, from communications to information management to human resources. A Code of Conduct may be a useful place to connect to some of these policies. Ask yourselves:

- Q What existing policies do we already have that could be referenced in our Code of Conduct (e.g. respectful workplace policy; use of social media; handling of information; gifts and personal benefits)?
- Q Are there any existing policies that need to be updated to reflect or reference the Code of Conduct?
- ★ **TIP:** You do not need to replicate all of your organization's existing policies in a Code of Conduct. Key policies can simply be referenced where appropriate, throughout your Code of Conduct.

Adopting and Publishing your Code of Conduct

Once you have come to a consensus on the content of your Code of Conduct, ask yourselves:

- Q How will we try to ensure that all members are comfortable with a Code of Conduct that is adopted? What can we do if some members disagree with the Code of Conduct?
- Q Should each council/board member formally commit to the Code of Conduct in some way? What would this look like (e.g. each member signs the document)?
- Q How are we going to communicate or present the Code of Conduct to staff, the public and others? Should it be on our website? How else can we make it known?
- ★ **TIP:** Make sure your Code of Conduct is easily accessible by everyone in the organization, as well as the public.

Putting the Code of Conduct into Action

Finding ways to integrate the Code of Conduct into your ongoing governance will help ensure that it remains a relevant and effective 'living' document. Consider how you will maintain, use and keep your Code by Conduct 'alive' and meaningful by asking yourselves:

- Q How will we use and refer to the Code of Conduct (e.g. by including it in every agenda package? Displaying it on the wall? Framing it on every member's desk?)?
- Q Should there be education or any other supports for our council/board members or employees about the Code of Conduct (e.g. at a set time such as the start of every term)? How will new members be oriented to it (e.g. after a by-election)?
- Q How do we know that that the Code of Conduct is working for us? How will we review and evaluate the Code of Conduct (e.g. when/how often should we review it? Should there be a set process for reviews? How will changes be incorporated?)?
- ★ **TIP:** It may be useful to establish a process for feedback on the Code of Conduct to ensure that when a review happens, all of the relevant feedback is readily available and can be considered.

Keep in mind...

that if it is challenging to achieve consensus at adoption or any other stage of the development process – don't be afraid to seek out a facilitator or another consultant

Keep in mind...

that making your Code of Conduct accessible, transparent and available to the public will help build public confidence and demonstrate a commitment to good governance

Keep in mind...

that your Code of Conduct is not 'set in stone'; it can be and should be revisited and reviewed regularly

List of Resources & Helpful Links

WORKING GROUP ON RESPONSIBLE CONDUCT RESOURCES

Model Code of Conduct

http://www.ubcm.ca/assets/Resolutions~and~Policy/Policy/Governance/Working~Group~on~Responsible~Conduct/MODEL_CODE_OF_CONDUCT_Aug2018_FINAL.pdf

Responsible Conduct of Local Elected Officials Website (Policy Paper; Foundational Principles Brochure)

<https://www2.gov.bc.ca/gov/content/governments/local-governments/governance-powers/conduct-of-locally-elected-officials/responsible-conduct>

Responsible Conduct of Local Elected Officials – Consultation Paper (March 2017)

http://www.ubcm.ca/assets/Resolutions~and~Policy/Policy/Governance/Working~Group~on~Responsible~Conduct/ResponsibleConductLocalGovtElectedOfficials_Consultation_Paper_March302017.pdf

EXAMPLES OF LOCAL GOVERNMENT CODES OF CONDUCT (BC)

District of Sparwood

<https://sparwood.civicweb.net/document/67075>

District of Saanich

<http://www.saanich.ca/assets/Local~Government/Documents/Bylaws~and~Policies/code-of-conduct-nov-2016.pdf>

City of Vancouver

<http://vancouver.ca/files/cov/boards-committees-code-of-conduct.pdf>

District of Sooke

<https://sooke.civicweb.net/document/11215>

City of Prince George

https://www.princegeorge.ca/City%20Hall/Documents/Mayor%20and%20Council/Council_Code_of_Conduct.pdf

District of North Vancouver

<http://app.dnv.org/OpenDocument/Default.aspx?docNum=2611131>

Cariboo Regional District

<http://bouchielakerec.ca/wp-content/uploads/2013/03/Code-of-Conduct-and-Ethics-FINAL-CRD-Board.pdf>

Regional District of Central Okanagan

https://www.regionaldistrict.com/media/201242/Code_of_Conduct.pdf

RESOURCES ABOUT ROLES AND RESPONSIBILITIES

City of Port Moody (sample policy)

<http://www.portmoody.ca/modules/showdocument.aspx?documentid=1513>

City of Maple Ridge (orientation manual)

<http://www.mapleridge.ca/DocumentCenter/View/4526/Council-Orientation-Manual-2014>

RESOURCES ABOUT SOCIAL MEDIA POLICIES

Social Media Resource Guide (Alberta Urban Municipalities Association)

https://www.auma.ca/sites/default/files/Advocacy/Programs_Initiatives/citizen_engagement/social_media_resource_guide.pdf

[Note: page 26 pertains to Elected Officials and Social Media Policy]

City of Pitt Meadows (sample policy)

<http://www.pittmeadows.bc.ca/assets/Policies/C074-Council%20Social%20Media-Reaffirmed.pdf>

City of Maple Ridge (sample policy)

http://www.mapleridge.ca/DocumentCenter/View/1367/social_media_policy_3010?bidId

City of Leduc (sample policy)

<https://www.leduc.ca/sites/default/files/2014-11-17%20Public%20CoW%20Agenda%20Item%2006b%20-%20Social%20Media%20Policy%20%28Distributed%20Under%20Separate%20Cover%29.pdf>

City of Guelph (sample policy)

<http://guelph.ca/news/social-media/social-media-principles-and-guidelines-for-elected-officials/>

RESOURCES ABOUT HARASSMENT / HUMAN RIGHTS

City of Vancouver: Human Rights & Harassment policy

<https://policy.vancouver.ca/AE00205.pdf>

City of Richmond: Respectful Workplace Policy

https://www.richmond.ca/_shared/assets/Respectful_Workplace_Policy22820.pdf

District of Sooke: Anti-bullying Policy

<https://sooke.civicweb.net/document/11213>

RESOURCES ABOUT PRIVACY & HOW INFORMATION IS HANDLED

Privacy Management (Office of the Information & Privacy Commissioner)

<https://www.oipc.bc.ca/guidance-documents/1545>

District of Saanich (sample privacy management policy)

<http://www.saanich.ca/assets/Local~Government/Documents/Bylaws~and~Policies/privacy-management-may-2017.pdf>

Produced by the Working
Group on Responsible
Conduct





Policy	Council Code of Ethics
Approved By:	Council
Approval Date:	
Amendment Date:	
Policy Holder:	Council

COUNCIL POLICY

Council Code of Ethics

POLICY

The District of Oak Bay strives to maintain and enhance the quality of life for all Oak Bay residents and businesses through effective, responsible and responsive government. To achieve this goal, Municipal Council commits to ensure that:

- Public business is conducted with integrity, in a fair, honest, respectful and open manner;
- Council members respect one another, the public and District staff and recognize the unique role and contribution each person has in making the District of Oak Bay a great place to live, work and play; and,
- Council members conduct in the performance of their duties and responsibilities will be above reproach.

REASON FOR POLICY

To set expectations for members of Council in carrying out their duties and responsibilities.

PROCEDURE

Code of Ethics:

1. Act in the Public Interest – Council members will conduct business with integrity, in a fair, honest and open manner.
2. Leadership - Council members will demonstrate and promote the key principles of the Code of Ethics through their decisions, actions and behaviour. Their behaviour should build and inspire the public's trust and confidence in local government. Council members will provide leadership to District staff through the Chief Administrative Officer.
3. Accountability - Council members are obligated to answer for the responsibility that has been entrusted to them. They are responsible for decisions that they make. This responsibility includes acts of commission and acts of omission. In turn, decision-making processes should be transparent and subject to public scrutiny.

4. Respect - Council members will conduct public business efficiently and with decorum. They will treat each other and others with respect at all times. This means not using derogatory language towards others, respecting the rights of other people, treating people with courtesy and recognizing the different roles others play in local government decision-making.
5. Confidentiality – Council members will refrain from discussing or disclosing any confidential or personal information with or to Staff or with persons outside the organization except as authorized.
6. Communicating Decisions - Council members will accurately communicate the decisions of the Council even if they disagree with the majority decision of Council, and by so doing affirm the respect for and integrity in the decision-making processes of Council.
7. Respectful Work Place – Council members shall treat other members, the public and District staff with respect and shall be supportive of the personal dignity, self-esteem and well-being of those with whom they come in contact with during the course of their professional duties.