

Report to Council



Date: January 8, 2018

File: 0245-20

To: City Manager

From: J. Shaw, Infrastructure Engineering Manager

Subject: Development Cost Charges Bylaw No. 11498 Amendment No. 3 to Development Cost Charge Bylaw No. 10515
Prepared by: Matt Friesen, Financial Analyst

Recommendation:

THAT Council receives, for information, the report from the Infrastructure Engineering Manager dated January 8, 2018, with respect to the Development Cost Charge Bylaw No. 11498 Amendment No. 3 to Development Cost Charge Bylaw No. 10515;

AND THAT Bylaw No. 11498 Amendment No. 3 to Development Cost Charge Bylaw No. 10515 be forwarded for reading consideration;

Purpose:

To inform Council about proposed changes to the DCC Wastewater Trunks and Treatment Sector Plans to expand the service area to the north to include the entire north end of the City.

Background:

The Development Cost Charge (DCC) Bylaw sets out the charges imposed on developers to offset some of the infrastructure expenditures incurred to service the needs for new development. DCCs are intended to facilitate development by providing a method to finance capital projects related to public roads, water, sanitary sewer, drainage and parkland. The current DCC Bylaw 10515 was adopted by Council June, 2011 in conjunction with the OCP review and amended in July, 2016 to update DCC rates to reflect current construction and land costs.

Included in the DCC bylaw are the Sector maps showing the areas of development where City services will be required.

The purpose of this amendment is to adjust the boundary for both the Wastewater Trunk and Treatment Sector Plans to include the entire north end of the City of Kelowna. This area has recently (2016) been connected to the wastewater network and development will add a burden to the existing system and are therefore subject to DCC's.

Attached as "Schedule A" are the original:

- DCC Wastewater Trunk and Treatment Sector Plans

Attached as "Schedule B" are the proposed:

- DCC Wastewater Trunk and Treatment Sector Plans

The proposed map and bylaw amendment authorize the City to collect Wastewater Trunk and Treatment DCC's from development to support downstream wastewater trunks and treatment facilities needed to support development.

The City did not collect wastewater trunk and treatment DCC's for 279 residential units and 3,474 square metres of commercial space approved for development in the north end. These units were outside the current map boundaries and therefore not part of the original DCC analysis. The current DCC rates will not be affected by inclusion of the north end in the DCC program. Moving forward, the DCC revenue collected from development in the north end will be used to upsize wastewater trunk and treatment capacity.

Staff are not requesting a rate increase or change to projects or type and quantity of developable units in the DCC program. Future growth from the north end will be included in the next major update to the DCC program scheduled to begin in 2019.

McKinley Beach, the major developer in the north end, has been notified of the immediate change to map boundaries and their requirement to pay wastewater DCC's.

Internal Circulation:

Divisional Director, Infrastructure
Divisional Director, Community Planning & Real Estate
Divisional Director, Corporate & Protective Services
Legislative Coordinator
City Clerk
Divisional Director, Financial Services
Development Engineering Manager
Community Engagement Management
Financial Analyst, Infrastructure Planning

Legal/Statutory Authority:

The Development Cost Charge (DCC) Bylaw sets out the charges imposed for public roads, water, sanitary sewer, drainage and public park infrastructure when subdividing or constructing, altering or extending a building, pursuant the Local Government Act.

Legal/Statutory Procedural Requirements:

The Local Government Act requires the Inspector of Municipalities to approve local government DCC bylaws. The following process, which is recommended by DCC Best Practices Guide, is being followed by staff for amending the DCC Bylaw.

- Staff amend service area map and communicate changes to UDI and stakeholders,
- First, second and third reading of proposed DCC Bylaw by Council (January 8, 2018),
- Submission of DCC Bylaw and Supporting Documentation to Ministry of Community Services,
- Statutory approval from Inspector of Municipalities
- Fourth Reading and adoption of DCC Bylaw by Council,
- Bylaw implementation

Existing Policy:

Development Cost Charge Bylaw 10515

Financial/Budgetary Considerations:

DCC rates are not affected by this amendment.

DCCs contribute to the initial capital cost of growth-related infrastructure, along with taxpayer contributions that account for the benefit of the new infrastructure to the existing community. The subsequent operation, maintenance, capital renewal and the eventual replacement of all infrastructures accrues to general taxation or utility rates.

Personnel Implications:

There are no personnel implications related to this proposed DCC Update.

External Agency/Public Comments:

Staff have communicated with the Urban Development Institute and the McKinley Landing Developer regarding the DCC Bylaw amendment

Considerations not applicable to this report:**Communications Comments:****Alternate Recommendation:**

Submitted by:

J. Shaw, Infrastructure Engineering Manager

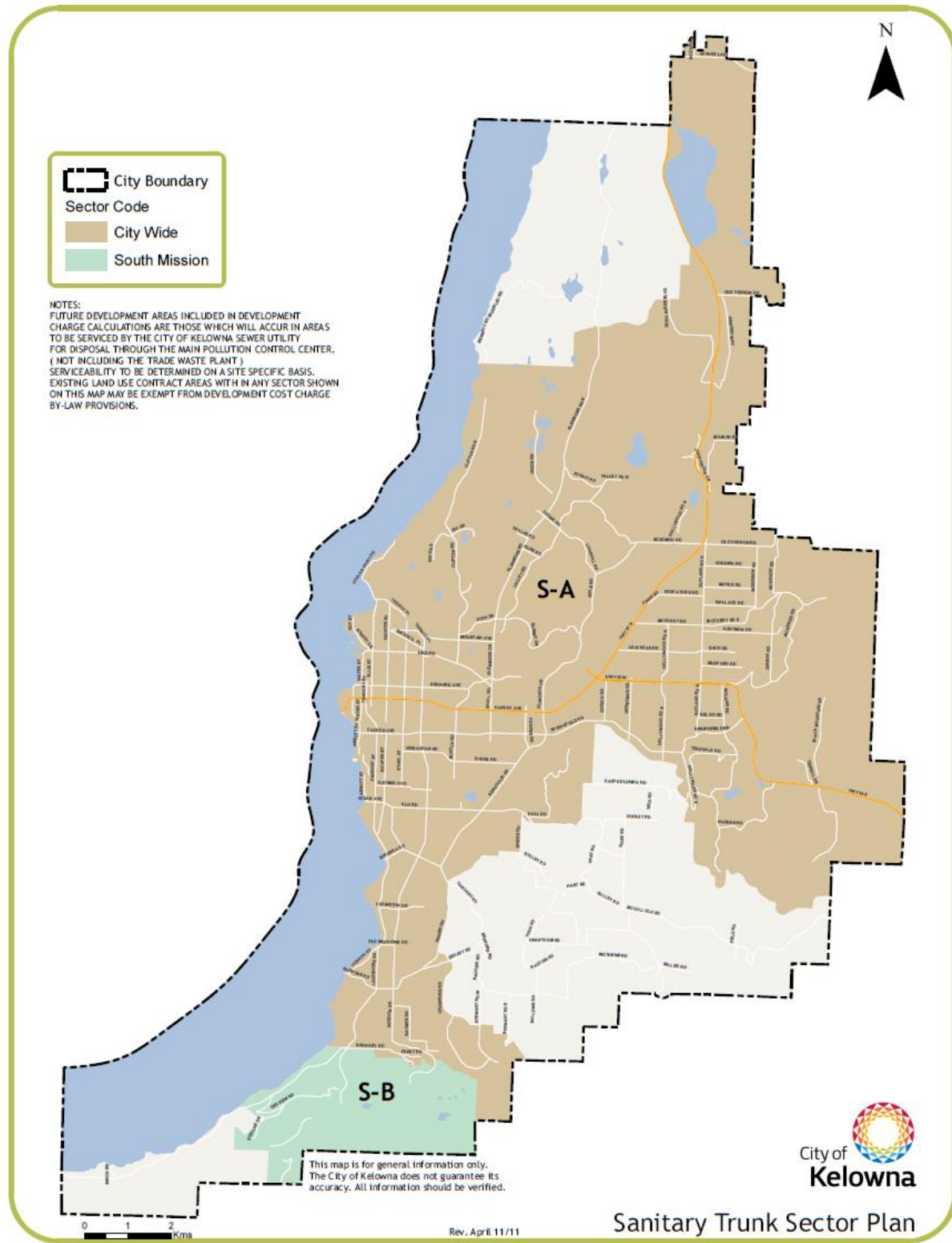
Approved for inclusion:





Alan Newcombe, *Divisional Director, Infrastructure*

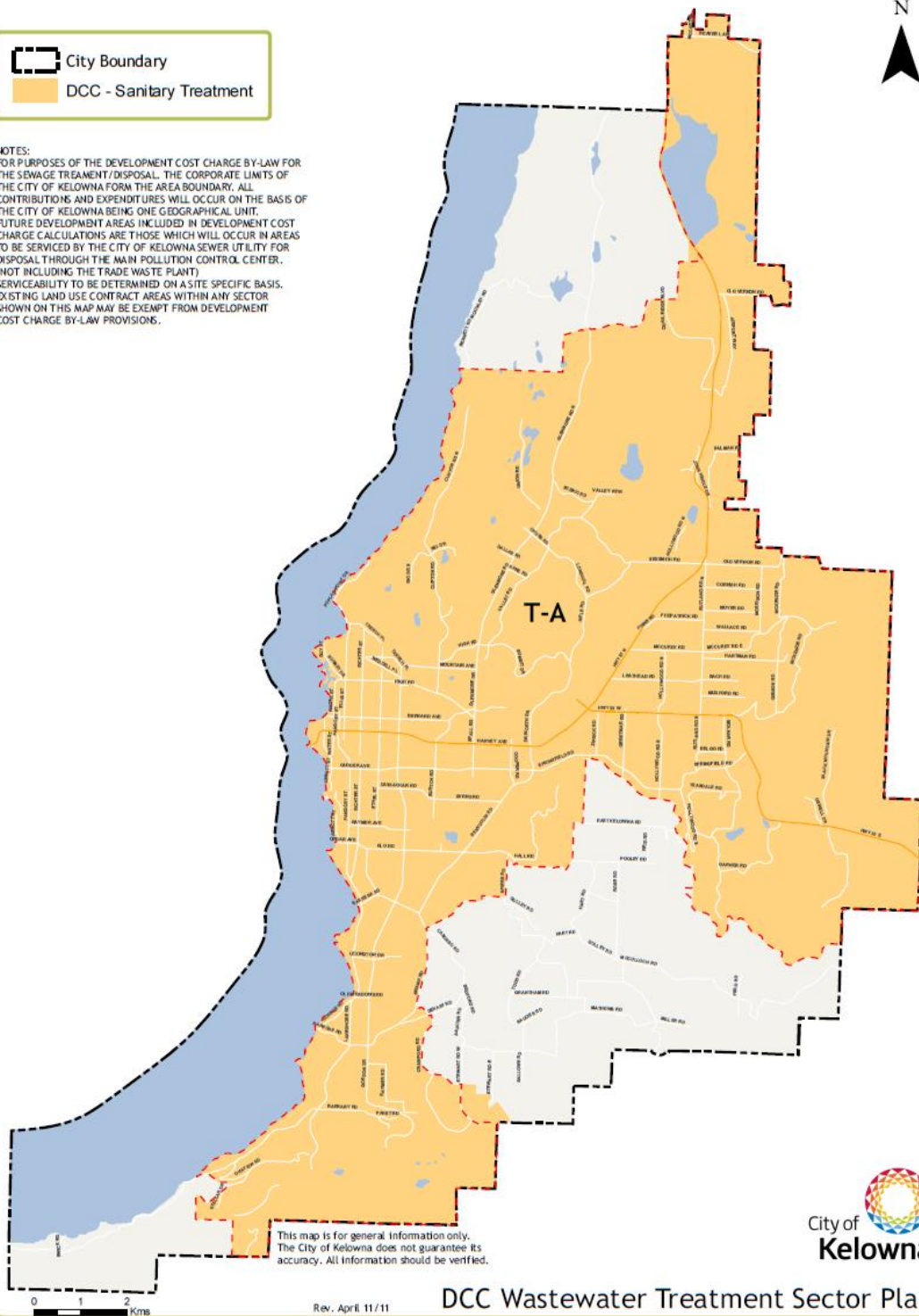
Schedule A

Current DCC Wastewater Trunk and Treatment Sector Plans



 City Boundary
 DCC - Sanitary Treatment

NOTES:
 FOR PURPOSES OF THE DEVELOPMENT COST CHARGE BY-LAW FOR THE SEWAGE TREATMENT/DISPOSAL, THE CORPORATE LIMITS OF THE CITY OF KELOWNA FORM THE AREA BOUNDARY. ALL CONTRIBUTIONS AND EXPENDITURES WILL OCCUR ON THE BASIS OF THE CITY OF KELOWNA BEING ONE GEOGRAPHICAL UNIT. FUTURE DEVELOPMENT AREAS INCLUDED IN DEVELOPMENT COST CHARGE CALCULATIONS ARE THOSE WHICH WILL OCCUR IN AREAS TO BE SERVICED BY THE CITY OF KELOWNA SEWER UTILITY FOR DISPOSAL THROUGH THE MAIN POLLUTION CONTROL CENTER, (NOT INCLUDING THE TRADE WASTE PLANT) SERVICEABILITY TO BE DETERMINED ON A SITE SPECIFIC BASIS. EXISTING LAND USE CONTRACT AREAS WITHIN ANY SECTOR SHOWN ON THIS MAP MAY BE EXEMPT FROM DEVELOPMENT COST CHARGE BY-LAW PROVISIONS.

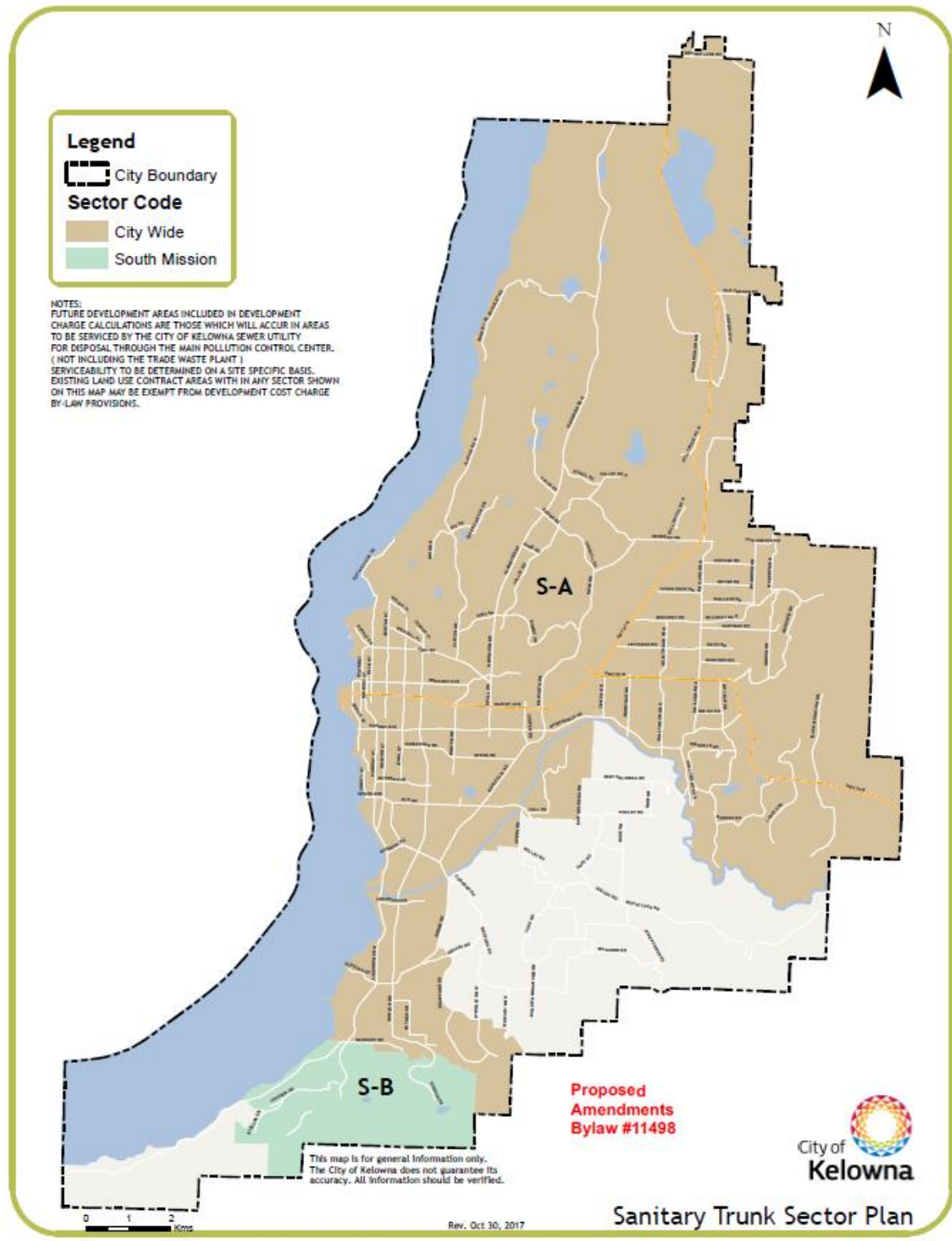


Rev. April 11/11



DCC Wastewater Treatment Sector Plan

Schedule B

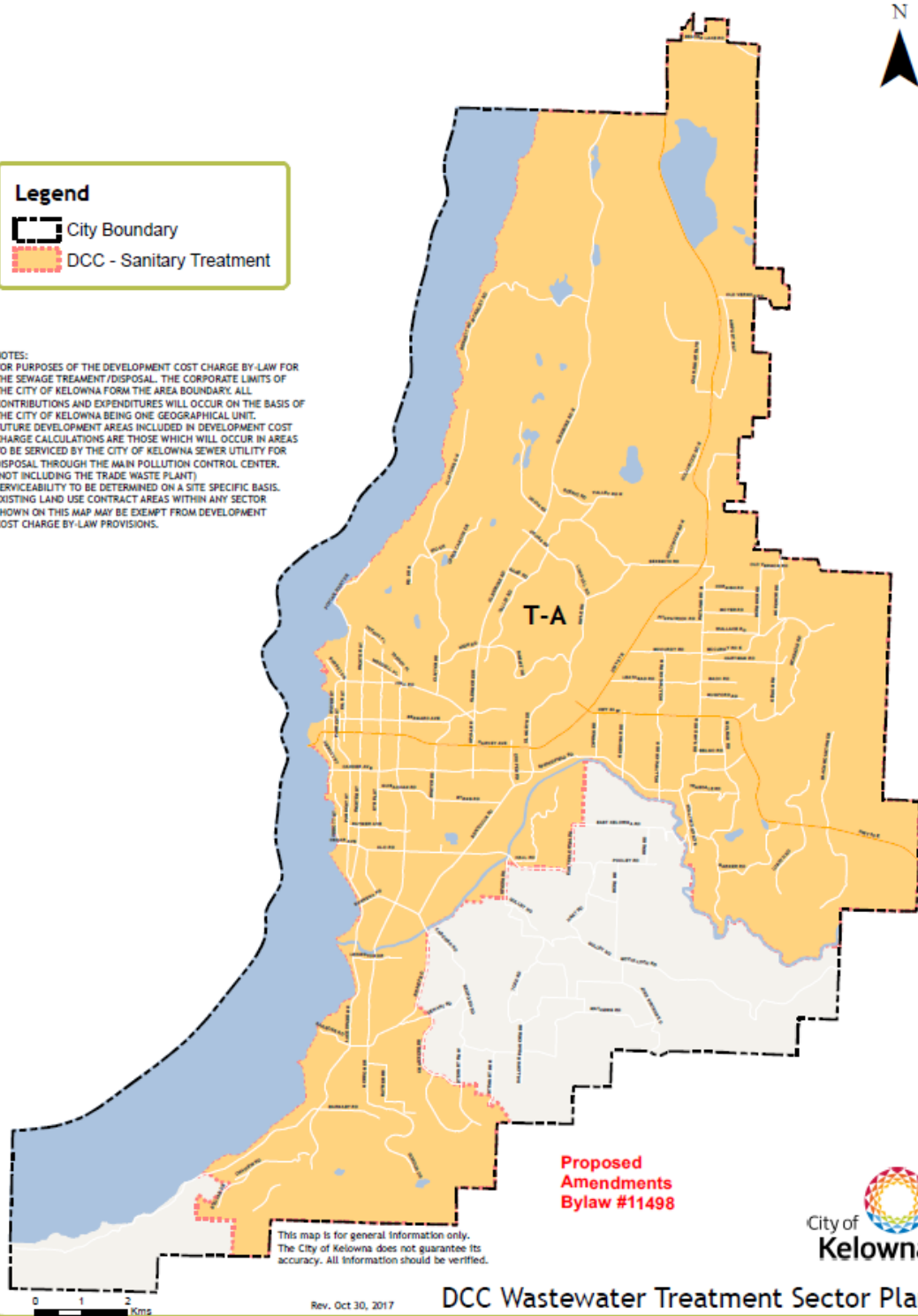
Proposed DCC Wastewater Trunk and Treatment Sector Plans



Legend

-  City Boundary
-  DCC - Sanitary Treatment

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FOR PURPOSES OF THE DEVELOPMENT COST CHARGE BY-LAW FOR THE SEWAGE TREATMENT/DISPOSAL, THE CORPORATE LIMITS OF THE CITY OF KELOWNA FORM THE AREA BOUNDARY. ALL CONTRIBUTIONS AND EXPENDITURES WILL OCCUR ON THE BASIS OF THE CITY OF KELOWNA BEING ONE GEOGRAPHICAL UNIT. FUTURE DEVELOPMENT AREAS INCLUDED IN DEVELOPMENT COST CHARGE CALCULATIONS ARE THOSE WHICH WILL OCCUR IN AREAS TO BE SERVICED BY THE CITY OF KELOWNA SEWER UTILITY FOR DISPOSAL THROUGH THE MAIN POLLUTION CONTROL CENTER. (NOT INCLUDING THE TRADE WASTE PLANT). SERVICEABILITY TO BE DETERMINED ON A SITE SPECIFIC BASIS. EXISTING LAND USE CONTRACT AREAS WITHIN ANY SECTOR SHOWN ON THIS MAP MAY BE EXEMPT FROM DEVELOPMENT COST CHARGE BY-LAW PROVISIONS.



DCC Wastewater Treatment Sector Plan