

DCC COST UPDATE

March 7, 2016



AGENDA

- ▶ Overview,
- ▶ Construction and land costs,
- ▶ Updated DCC's
- ▶ Next Steps

PURPOSE

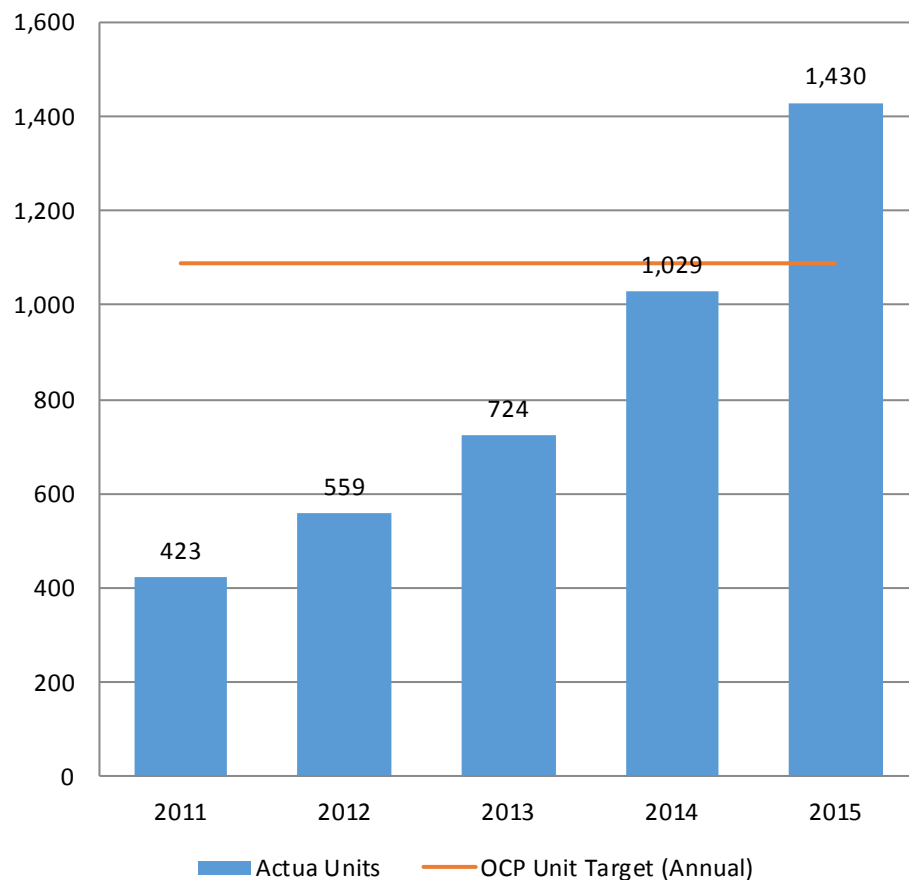
- ▶ Revise DCC project construction and land costs so they reflect current market conditions and update DCCs.

OUT OF SCOPE

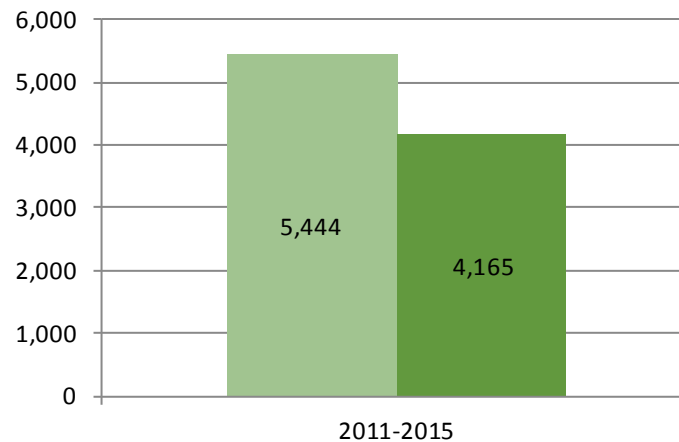
- ▶ No changes were made to the projects, type and quantity of developable units or underlying DCC assumptions (i.e. tax assist, City wide benefit, sector boundaries).

NEW HOUSING

2011-2015 Residential Units Actuals Compared to OCP Projection (units)



2011-2015 New Housing Compared to OCP Projection (units)



PREVIOUS DCC UPDATE

- ▶ DCC Bylaw was last updated in 2011 to align with the 2030 OCP

2030 Major Services - Funding Sources (\$ Millions) - 2010 Update								
Major Service	Gov't Funded	Developer Funded		City Funded		2030 OCP	2020 OCP	% Change from 2020 OCP
	Grant	Developer Construct	DCC's	Taxation	Utility User Rates	2010 Totals	2009 Totals	
Arterial Roads	26.6	50.9	186.0	136.7		400.3	588.5	(32.0)
Water Distribution		5.4	23.0		30.7	59.1	48.1	22.8
Wastewater Trunks		4.9	23.6		9.4	37.9	43.3	(12.5)
Wastewater Treatment			66.6		19.5	86.1	92.0	(6.3)
Parkland Acquisition	5.4		107.1	13.0		125.5	144.1	(12.9)
2010 Totals	32.0	61.2	406.4	149.8	59.6	709.0	915.9	(22.6)
2009 Totals	43.2	99.0	577.5	154.9	41.5	915.9		
% Change from 2020 OCP	(25.9)	(38.2)	(29.6)	(3.3)	43.5	(22.6)		

-31%

6%

PROCESS FOR DCC UPDATE

- ▶ Council approved budget for DCC Update Jan 2015
- ▶ Request for proposals Mar 2015
- ▶ Retained Urban Systems Jun 2015
- ▶ Real Estate Department updated land costs,
- ▶ Completed projects - updated estimates to actual including confirmed grants,
- ▶ Urban Systems provided the City of Kelowna with revised project sheets with the updated construction and land costs for the ~150 DCC projects,
- ▶ The revised project estimates were input into the DCC model and updated DCCs determined.

PROCESS FOR DCC UPDATE CON'T

- ▶ Sent revised rates to UDI in Dec 2015,
- ▶ Met with UDI and CHBA in Jan 2016,
- ▶ Responded to Questions from UDI/CHBA Feb 2016,
- ▶ Report to Council - First Reading Mar 7th 2016
- ▶ Public Open House -Mar 30th RCA (to be confirmed)
- ▶ Report to Council - 2nd and 3rd Reading - Apr 2016
- ▶ Ministry approval - April
- ▶ Report to Council - Bylaw Adoption (Pending Ministry approval)

2015 DCC UNIT RATE UPDATE

- ▶ Actual construction tenders were used for cost update,
- ▶ Where no unit rate was available, or for lump sum items:
 - ▶ Engineering News Record average Construction Cost Index for Canada July 2010 - January 2015 (12%)
- ▶ General land and parkland increase 7% and 8.7%, respectively,
- ▶ Variable contingency.

TOTAL DCC PROGRAM COST

2030 Major Services - Funding Sources (\$ Millions) - 2016 Update

Major Service	Gov't Funded	Developer Funded		City Funded		2030 OCP		
	Grant	Developer Construct	DCC's	Taxation	Utility User Rates	2016 Totals	2011 Totals	% Change from 2016 - 2011
Arterial Roads	37.9	63.3	209.1	151.1		461.4	400.3	15.3
Water Distribution		6.0	24.7		29.4	60.0	59.1	1.6
Wastewater Trunks		6.9	25.8		8.4	41.1	37.9	8.2
Wastewater Treatment			65.4		20.3	85.7	86.1	(0.5)
Parkland Acquisition	5.4		116.5	14.5		136.4	125.5	8.7
2016 Totals	43.3	76.0	441.5	165.6	58.1	784.7	709.0	10.7
2011 Totals	32.0	61.2	406.4	149.8	59.6	709.0		
% Change from 2016 - 2011	35.4	24.2	8.7	10.5	(2.6)	10.7		









+10.7%

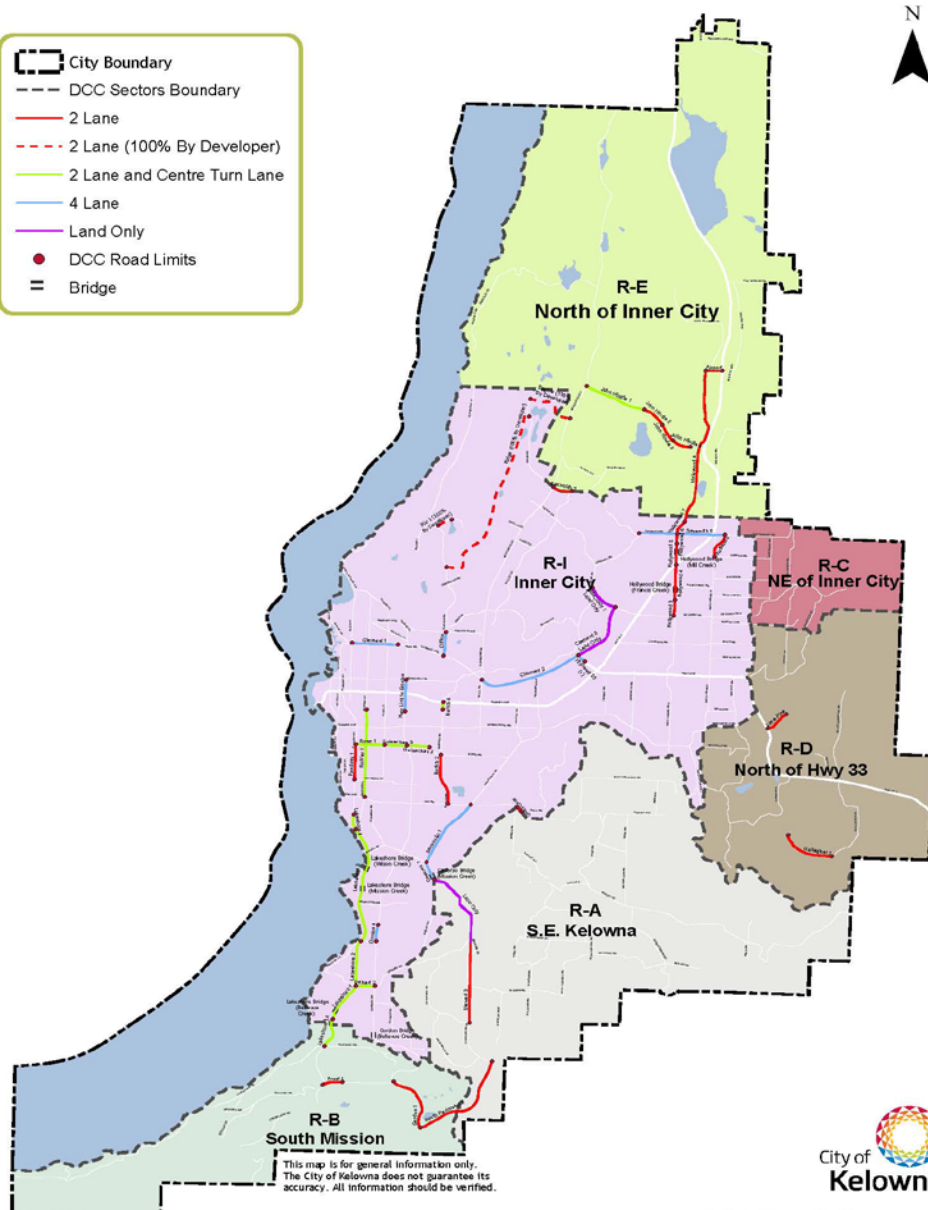
+6.8%

2015 VERSUS 2010 DCC RATES (\$'s per Residential 1 Unit)



	S.E. Kelowna	South Mission	NE of Inner City	North of Hwy 33	North of Inner City	Inner City
Arterial Roads	A	B	C	D	E	I
2010 Update	7,878	21,540	14,292	11,072	10,666	7,530
2015 Update	9,243	26,118	15,513	13,321	11,000	8,338
\$ Difference	1,365	4,578	1,220	2,249	333	807
% Change	17.3	21.3	8.5	20.3	3.1	10.7
Parkland Acquisition	A					
2010 Update	5,300					
2015 Update	5,795					
\$ Difference	495					
% Change	9.3					
Wastewater Treatment	A					
2010 Update	3,723					
2015 Update	3,645					
\$ Difference	(78)					
% Change	(2.1)					
Wastewater Trunks	A	B				
2010 Update	1,294	1,903				
2015 Update	1,541	1,379				
\$ Difference	247	(524)				
% Change	19.1	(27.5)				
Water Distribution	A	B	D			
2010 Update	998	679	3,552			
2015 Update	1,282	833	3,584			
\$ Difference	284	154	32			
% Change	28.5	22.7	0.9			
Total All Services	S.E. Kelowna	South Mission	N.E. of Inner City	N. Highway 33	North of Inner City	City Centre
2010 Update	13,178	33,145	24,609	21,389	20,983	18,845
2015 Update	15,038	37,769	26,494	24,302	21,981	20,601
\$ Difference	1,860	4,625	1,885	2,913	997	1,756
% change	14.1	14.0	7.7	13.6	4.8	9.3

-  City Boundary
-  DCC Sectors Boundary
-  2 Lane
-  2 Lane (100% By Developer)
-  2 Lane and Centre Turn Lane
-  4 Lane
-  Land Only
-  DCC Road Limits
-  Bridge



Total All Services	<u>S.E. Kelowna</u>	<u>South Mission</u>	<u>N.E. of Inner City</u>	<u>N. Highway 33</u>	<u>North of Inner City</u>	<u>City Centre</u>
2011 Update	13,178	33,145	24,609	21,389	20,983	18,845
2016 Update	15,038	37,769	26,494	24,302	21,981	20,601
\$ Difference	1,860	4,625	1,885	2,913	997	1,756
% change	14.1	14.0	7.7	13.6	4.8	9.3

NEXT STEPS

- 1) Stakeholder input (UDI/CHBA) - Jan 22nd
- 2) Report to Council - First Reading Mar 7th
- 3) Public Open House - Mar 30th RCA (to be confirmed)
- 4) Report to Council - 2nd and 3rd Reading - April
- 5) Ministry approval - April
- 6) Report to Council - Bylaw Adoption (Pending Ministry approval)

QUESTIONS?