

AGENDA ADDENDUM

SPECIAL MEETING OF COUNCIL

March 25, 2013

7:00 p.m.

**Council Chamber, Municipal Hall
355 West Queens Road,
North Vancouver, BC**

Council Members:

Mayor Richard Walton

Councillor Roger Bassam

Councillor Robin Hicks

Councillor Mike Little

Councillor Doug MacKay-Dunn

Councillor Lisa Muri

Councillor Alan Nixon



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SPECIAL MEETING OF COUNCIL

7:00 p.m.
Monday, March 25, 2013
Council Chamber, Municipal Hall
355 West Queens Road, North Vancouver

AGENDA ADDENDUM

THE FOLLOWING LATE ITEMS ARE ADDED TO THE PUBLISHED AGENDA

1. REPORTS FROM COUNCIL OR STAFF

1.1 Development Cost Charges (DCC) – Parkland Component **p. 5 - 10**
File No. 11.5240.02/000.001

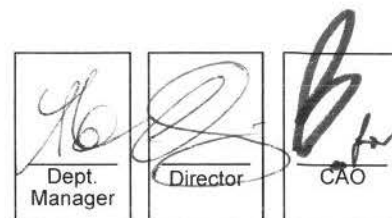
Recommendation:

THAT the following bylaws be given THIRD reading and forwarded to the Inspector of Municipalities for approval:

- Bylaw 7964, a bylaw to amend the District of North Vancouver DCC Bylaw 7135, 2000;
- Bylaw 7965, a bylaw to repeal the District of North Vancouver Northlands Development Area DCC Bylaw A, Bylaw 6570, 1993 and the District of North Vancouver Northlands Development Area DCC Bylaw B, Bylaw 6571, 1993; and,
- Bylaw 7966, a bylaw to transfer funds from the Northlands DCC Reserve funds to the corresponding District-wide DCC Reserve Funds.

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COUNCIL AGENDA/INFORMATION			
☐ In Camera	Date:	Item #	
☒ Regular	Date: <u>MARCH 25, 13</u>	Item #	
☒ Agenda Addendum	Date:	Item #	
☐ Info Package			
☐ Council Workshop	DM#	Date:	Mailbox:



The District of North Vancouver REPORT TO COUNCIL

March 21, 2013
File: 5240.02.000/001
Tracking Number: RCA -

AUTHOR: Steven T. Ono, P. Eng.
Manager, Engineering Services/Deputy GM

SUBJECT: Development Cost Charges (DCC) - Parkland Component

RECOMMENDATION:

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- Bylaw 7966, a bylaw to transfer funds from the Northlands DCC Reserve funds to the corresponding District-wide DCC Reserve Funds.

REASON FOR REPORT:

Bylaws 7964, 7965 and 7966 were given FIRST and SECOND readings by Council on March 18, 2013. Prior to giving the bylaws THIRD reading, Council has requested additional clarification in response to comments from members of the public particularly regarding the proposed park DCC's.

SUMMARY:

The adopted Parks and Open Space Strategic Plan states:

"The OCP 2030 target for parks and open space is to increase park, open space and/or trails in growth centres and to continue to exceed the minimum 2 hectares (5 acres) of community and neighbourhood parkland (combined) per 1,000 population District-wide."

In addition to the above District-wide parkland strategy, the approach in our Town and Village Centres takes into consideration the existing parks and open space context in each centre. This approach enables the provision of useful parks space and programming that is tailored to address specific needs in each growth centre which may include: provision of new neighbourhood park space, playground areas, greenways, trails and urban plazas.

ANALYSIS:

Several questions were raised by Council at the March 18th meeting. Responses to each of the questions are provided as follows:

1. Will more DCC's be collected under this bylaw than under the previous bylaw?

Yes, significantly more DCC's will be collected under the proposed bylaw. Since the 1998 bylaw was first introduced, DCCs collected for roads, sewer, water, drainage and parks have amounted to approximately \$15.4 Million. Under the proposed bylaw, assuming the future 20 year OCP targets are met, the DCCs recoverable in current dollars are estimated at \$89.6 Million.

2. Will the DCC funds be more flexible under this bylaw than the previous bylaw?

Yes, the DCC funds will be more flexible under this bylaw because the monies collected will be used to help pay for projects in the roads, sewer, water, drainage and parks DCC programs District-wide, and will enable access to the dormant Northlands DCC funds.

3. Are we park deficient in some neighbourhoods such as Delbrook?

The current Parks and Open Space Strategic Plan indicates the District as a whole is well served with park land. In a park study carried out in the mid 1990s, (and as noted at the March 18, 2013 Council meeting) the central and upper Delbrook areas were identified as having relatively less flat play space or neighbourhood (active) parkland than some other neighbourhoods. However, the study noted that there was, and continues to be, adequate provision of community parkland (e.g. Delbrook and William Griffin Parks). Furthermore, the Mosquito Creek linear park is very well utilized, as are the Delbrook and William Griffin playing fields and tennis courts.

4. What does 2 ha/1000 look like relative to other comparable communities in the region?

Table 5 on page 35 of The DNV Parks and Open Space Strategic Plan (reproduced below) provides a sample of parkland area comparisons with other nearby municipalities. In a survey conducted in 2010, the provincial average of municipal parkland supply was 2.51 to 2.94 hectares per 1,000 population (DNV 9.09 ha/1000) excluding natural open space, and 4.98 hectares per 1,000 population (DNV 37.17/1000) including natural open space. In all categories, the District scored highest in comparison to other communities and the provincial average.

Table 5 from Parks & Open Space Strategic Plan Population Based Parkland Supply Compared with Other Communities (Note: All numbers are in hectares per 1000 population)					
Category*	City / District Parkland	Community Parkland	Neighbourhood Parkland	Natural Parkland	Total Parkland Current population (2010)
District of North Vancouver	5.38	2.22	1.49	28.08	9.09 (without natural parkland) 37.17 (with natural parkland)
City of North Vancouver	0.74	0.47	0.25	1.68	1.45 (without natural areas) 3.14 (with natural areas)
City of Vancouver	1.17	0.00	1.05	--	2.22
District of West Vancouver (supply 2005)	3.20	1.40	0.40	--	5.00
City of Victoria (supply 2008)	1.49	0.54	0.27	--	2.30
Provincial Average**	1.04 – 1.59	0.80 – 0.98	0.45 - 0.67	2.04	2.51 – 2.94 (without natural areas) 4.98 (with natural areas)

Note:

**Numbers for other municipalities and provincial averages are approximate and may be outdated.*

***Provincial average numbers in italics are courtesy of LEES+Associates, Landscape Architects 2010.*

The District's current supply of combined neighbourhood and community park land is 3.71 ha/1000 population. At the 2031 horizon, it is projected that the supply of neighbourhood and community park land will be 3.03 ha/1000 population. This compares favourably with the OCP Target of 2 ha/1000 population District-wide.

Through redevelopment of growth centres, we anticipate a total of approximately 3.5ha (8.6acres) of new (primarily neighbourhood) parkland acquisition (through DCCs and through land development negotiations combined). Development is also expected to contribute additional new linear natural parks/greenways and trails estimated at approx. 1.5 hectares (3.8 acres) of linear parkland.

5. How does Dr. Kost arrive at the \$500,000,000 deficiency in parkland DCCs (if you bill under the old DCC bylaw and compare it to the new park DCC's, 10,000 units at \$4000 only gives you \$40,000,000)?

Dr. Kost had based his calculations on his premise that all new growth should deliver the OCP target of 2 ha (5 acres) of new parkland per 1000 population. On this basis, the OCP 20 year growth projection of 20,000 persons would result in a need to add 100 acres of park. Discounting this figure by an arbitrary estimated maximum District parkland contribution of 20 acres for a total of 80 acres to be purchased, and using a property acquisition value of \$6.5 Million per acre, the

total estimated cost to fund the acquisition program would amount to \$520 Million, (rounded off to \$500 Million).

6. What considerations balance Dr. Kost 's perception that under the proposed DCC Bylaw, current residents would be subsidizing new residents by providing existing parkland for their use?

The OCP anticipates future development to primarily occur in a more compact form in four town centres. This more compact form requires less linear infrastructure such as road, water, and sewer pipes for servicing per residence than less dense forms. More compact development also covers less ground resulting in less drainage runoff per residence than less dense forms. Therefore, as was correctly noted at the last Council meeting, most of the new growth will be more efficiently serviced than the preceding primarily single family housing form. As infrastructure is upgraded to accommodate the new development, it will also be renewed, thus contributing to replacing aging infrastructure that needs renewal regardless of whether new development occurs. On the matter of park land, the OCP Target is expected to be met and exceeded. This is in keeping with the legislated requirement that the local government must consider the provision of parkland described in an official community plan when setting DCC's. Thus, on balance, there is no subsidy.

7. What is involved when we attempt to compare dollars per square foot of parkland DCC's collected in other municipalities such as Surrey vs. DNV (for example, they may not collect CAC's like we do if they collect DCCs for parks)?

Comparison of components of DCC's such as parks across different communities is difficult because of the many variables allowed by legislation to suit local conditions. For example, in addition to DCC's, municipalities with larger land bases such as the City of Surrey and the Township of Langley may have more opportunity to use the 5% park dedication provision allowed by legislation for subdivisions adding 3 or more lots, whereas municipalities adding density may rely more on community amenity negotiations with developers based on the value added by density. Thus methods of acquiring and paying for parks can vary greatly from municipality to municipality depending on the needs and circumstances of the community.

The more important indicator the DCC legislation stipulates is for Council to consider whether the total of all DCC's being proposed by a municipality "will deter development" or "will discourage the construction of reasonably priced housing or the provision of reasonably priced serviced land" in that community. Within the available DCC revenue envelope, local governments are able to establish components of DCC rates based on the local infrastructure needed to accommodate planned growth in the community. In the District, if water, sewer, drainage and transportation infrastructure is not adequately upgraded, planned growth cannot occur.

Timing/Approval Process:

Next steps needed to complete the amendments to the DCC bylaws, are itemized as follows:

- First two readings of the DCC bylaws given on March 18, 2013
- Third reading of the bylaw is required as early as possible
- Submit the bylaws to the Inspector of Municipalities for approval
- Fourth reading and final adoption
- Bylaw implementation with grace period to November 1, 2013.

Concurrence:

Engineering, Planning, Parks and Finance staff have worked collaboratively to prepare the proposed DCC program. The bylaws have also been reviewed by the District's Solicitor.

Financial Impacts:

Introducing an updated and expanded DCC program will generate additional revenue to fund capital projects needed to accommodate growth as planned in the OCP and is an essential component of the financial plan. The rate at which DCC revenues are collected will depend on the pace of development activity in the District. Delay implementing the new DCC bylaw may result in loss of some DCC revenues from some significant development projects.

Liability/Risk:

The success of the DCC program depends on the strategic timing of DCC projects to ensure sufficient DCC funds and potential grants (e.g. Translink, ICBC) are secured before proceeding with the DCC projects, otherwise the District risks depleting reserves and increasing debt.

Social Policy Implications:

Pursuant to the *Local Government Act*, the District's DCC bylaw amendment requires approval by the Inspector of Municipalities prior to final adoption. When considering a DCC Bylaw, the *Act* requires District Council to consider whether the charges

- are excessive in relation to the capital cost of prevailing standards of service;
- will deter development; or
- will discourage the construction of reasonably priced housing, or the provision of reasonably priced serviced land; or
- will discourage development designed to result in low environmental impact.

An increased DCC program will affect the District's ability to secure Community Amenity Contributions (CACs) towards amenities such as recreation facilities, public art, child care facilities, affordable housing, etc. There is an industry standard profit margin for developers, and few will invest in projects that are unable to perform at the desired level. Therefore, additional costs such as DCCs levied on projects reduce a developer's ability to contribute towards other amenities.

Public Input:

There are no mandatory public consultation activities in the DCC legislation, such as public hearing requirements for a rezoning application. However, the Inspector of Municipalities may refuse approval of a DCC bylaw if the DCCs are excessive, deter development or discourage construction of reasonably priced housing. Evidence of meaningful public consultation may address these issues in the eyes of the Inspector.

Forty (40) members of the development and business communities, who regularly work on projects in the District, were invited to a DCC information meeting held at District Hall on November 29, 2012. Of those invited, a total of 22 attended the session. A public information meeting was also held on January 15th of this year and was attended by nine (9) District residents, as well as members of Council (Councillors Hicks and MacKay-Dunn representing the Finance and Audit Committee). Public input was also received and considered at the March 18, 2013 Council meeting.

Conclusion:

DCCs are a discretionary revenue tool enabled by legislation to help pay for infrastructure upgrades needed to support new development. They also form an important part of the Financial Plan. To accommodate growth, our roads, sewer, water and drainage infrastructure requires upgrading. DCCs

will contribute towards paying for a portion of the upgrades deemed to be attributable to growth in the municipality. Without DCCs, the cost of providing the additional capacity to support another 10,000 housing units over the next 20 years will need to borne by increasing taxes and utility fees.

Options:

Two options are presented for Council's consideration:

1. Endorse introduction of third reading of the bylaws and direct staff to forward the bylaws to the Inspector of Municipalities, Ministry of Community, Sport and Cultural Development (Local Government Finance).
2. Provide alternative direction.

Option 1 is recommended.



Steve Ono, P. Eng.
Manager, Engineering Services/Deputy GM

Attachment 1: Bylaw 7964

Attachment 2: Bylaw 7965

Attachment 3: Bylaw 7966

REVIEWED WITH:	REVIEWED WITH:	REVIEWED WITH:	REVIEWED WITH:
☒ Sustainable Community Development	☐ Clerk's Office	External Agencies:	Advisory Committees:
☐ Development Services	☐ Corporate Services	☐ Library Board	☐ _____
☐ Utilities	☐ Communications	☐ NS Health	☐ _____
☐ Engineering Operations	☐ Finance	☐ RCMP	☐ _____
☒ Parks & Environment	☐ Fire Services	☐ Recreation Commission	
☐ Economic Development	☐ Human resources	☐ Other: _____	
	☐ ITS		
	☐ Solicitor		
	☐ GIS		