March 24/2013

Your Worship & Members of Council,

Re: March 25/2013 Special Council Meeting Agenda item 1.1
Development Cost Charges (DCC's) – Amending Bylaw

After due consideration with DNV staff, I have concluded that the DCC charges allocated to Parks are deficient and unsustainable.
Development cost charges are meant to ensure that new development (growth) pays its own way and is **not** subsidized by our existing residents. The new Official Community Plan was largely based on this crucial premise.

The DNV has an abundance of green space. It is one of the most prized characteristic of this community. Having examined the parks standards of communities across Canada, these standards were all declared to be "minimal standards", not a maximal standard. The DCC report alleges that since we have a surplus of parks space future growth need not pay for any more (or a small fraction of the traditional requirement). As far as I am aware no parkland of the DNV has been declared as "surplus" to DNV requirements. Since the DCC's are being applied equally (low for parkland) across the district it is difficult to have equity and fairness while addressing park deficiencies in some areas of the DNV.

With the proposed DCC bylaw new growth **would** be subsidized by our existing residents. It is noteworthy that this new growth will be largely housed in facilities that will have little green space of their own. **Despite this, Parks charges for a typical apartment are proposed to be slashed, even though land values have tripled since 1998**. The 1998 DCC (parks component) rates of $4,090/unit are to be reduced to $1,325, the lowest in the lower mainland[(A).]

Based on my estimates[(1)], for the planned new growth of 20,000 residents in the next 20 years, this would amount to an approximate subsidy of $500,000,000.

An alternative supporting view - that the DCC charges are far too low - is provided by examining our 2011 Annual Report. There[(2)] it states that the net book value of our tangible capital assets (which does not include basic parkland) is $464,450,090. Using that the anticipated population growth would constitute an approximate 20% "buy-in share" of the "Corporation" of the District of North Vancouver – we see that these new "shareholders" stand to benefit by $92,890,018. The new "shareholders" would thus be provided an instant return on their investment of 1.9% - more than compensating for their typical total DCC costs[(3)] of 1.5%

To me it clearly illustrates that new growth would not be paying its own way. This is not what our residents bargained for when they approved the new Official Community Plan. A plan, by the way, which I personally supported since it intelligently concentrated up to 90% of this growth into the designated town centres. Now I find that in order to pay for the infrastructure (park space being normally the most costly component) our residents would subsidize this growth to the tune of about half a billion dollars. I view this as “selling” our parkland to developers – and thus a direct subsidy of growth. To me this is not acceptable – as I am sure it would not be by many of our residents.

I thus again urge council to sent this proposal back to a public forum for further discussion by the community – especially, since as noted in the staff report – only 9 residents from the public were involved with this report.

Yours truly,

Corrie Kost, 2851 Colwood Dr., North Vancouver, BC

References:

(A) Table 26 of Jan 2013 Background Report – applicable to an 800sq-ft apartment- the proposed dominant type of new dwelling unit (see for example Table 21 of same report). Note that the same table states the **Parkland Unit DCC is only $736.78** - less than the corresponding **DCC for Waterworks (Table 19) of $820.71** and **Sanitary Sewers DCC / person (Table 18) of $841.55**

(1) Our “excess” parks capacity has a real value. In fact it is one of the main reasons why our existing residents moved here. The “value” is approximately equal to the cost of providing an equivalent amount of new parkland. The calculated amount, using the staff reported $6.5 million/acre of parkland, and using a parks standard for new growth of 5 acres/1000 new residents, this amounts to 100 acres of new parkland for the anticipated 20,000 new residents. Discounting this by the planned estimated parkland contribution of 20 acres for these 20,000 people we are left with a deficit of 80 acres whose value is 80 * $6.4Million/acre = $500Million.

(2) Page 13 of 2011 Annual Report – Tangible Capital Assets December 31/2011 – Net Book Value of $464,450,090 - note that this does not include the “value” of our parkland.

(3) Using figures from Table 26 of draft DCC report – namely $7,523 for an assumed 800 sq-ft apartment valued at $500,000.