

FONVCA AGENDA THURSDAY Mar 17th 2011

Place: DNV Hall 355 W. Queens Rd V7N 2K6

Time: 7:00-9:00pm

Chair: Val Moller – Lions Gate C.A.

Tel: 604-926-8063 Email: vmoller@telus.net

Regrets:

1. Order/content of Agenda(*short)

2. Adoption of Minutes of Feb 24th

http://www.fonvca.org/agendas/mar2011/minutes-feb2011.pdf

3. Old Business

3.1 Council Agenda Distribution - continued -Basic Agenda listing still missing from District Dialogue

4. Correspondence Issues

- 4.1 Business arising from 5 regular emails:
- 4.2 Non-Posted letters 0 this period

5. New Business Council and other District issues.

5.1 Updates on OCP Draft #2

- Max. FSR of 0.55 for SF homes seems excessive
- 20,000 more people not a "target" by 2030
- -LAP's "policies" to be retained until reviewed
- -Draft #2 is still incomplete

* 5.2 Hard Lessons (Process Limits) of Neighbourhood Improvement Initiatives

http://hewlett_prod.acesfconsulting.com/uploads/files/ HewlettNIIReport.pdf

5.3 Legal uses of DCC's

http://www.toolkit.bc.ca/tool/development-cost-charges http://www.cscd.gov.bc.ca/lgd/finance/development_cost_charges.htm http://www.cscd.gov.bc.ca/lgd/fintergov_relations/library/DCC_Elected_ Officials_Guide_2005.pdf

5.4 Incorrect Views of DCCs(DCLs) & CAC's

http://www.vancouversun.com/business/business/4389250/story.html http://www.vancouversun.com/business/business/4429856/story.html Some valid points but many new-home municipal

charges are justified – Corrie Kost

5.5 Proper Use of Council In-Camera Meetings and Council Workshops

- John Hunter

5.6 Garbage Lessons

http://www.vancouversun.com/technology/technology/4417296/story.html http://www.vancouversun.com/technology/technology/4414154/story.html http://www.scientificamerican.com/article.cfm?id=recyclinq-old-mattresses http://www.vancouversun.com/technology/technology/4422275/story.html http://www.vancouversun.com/technology/technology/4350712/story.html http://www.vancouversun.com/technology/opinion/4429802/story.html http://www.nsnews.com/technology/story.html?id=4422818 http://www.calgaryherald.com/technology/health/4337454/story.html

Also: Experiences in Ottawa-why people revolt—who saves and who pays – by Corrie Kost

5.7 TRANSLINK - more taxes/fees/levies

http://www.vancouversun.com/news/news/4389094/story.html http://www.vancouversun.com/business/business/4308640/story.html

Can TRANSLINK ever become sustainable? Why still no 3rd seabus in service?

What do Delta & DNV have in common?

5.8 Municipal Tax Breaks & Urban Renewal

http://www.vancouversun.com/news/business/4394154/story.html

6. Any Other Business

6.1 Legal Issues

*a) Oak Bay woman pays \$600k archeology fees.

http://www.courts.gov.bc.ca/jdb-txt/SC/11/02/2011BCSC0270.htm http://www.vancouversun.com/technology/technology/4407706/story.html homeowners & municipalities beware!

*b)Dogs on leash at Regional Parks

http://www.vancouversun.com/health/men/4376347/story.html

c) Parents to pay for child's graffiti

http://www.vancouversun.com/news/news/4344892/story.html

d) Unintended consequences of low-flush toilets

http://www.civil.ubc.ca/documents/publications/newsletter/2010winter_civil@ubc-Vol12.pdf

*e) Legalization of Gambling in Canada

http://www.responsiblegambling.org/articles/legalization of gambling in canada july 2005.pdf A measure of a society is how well it treats those that are disadvantaged – in this case those who are addicted to gambling – Corrie Kost

6.2 Any Other Issues (2 min each)

*a)Bicycling in the Netherlands

http://www.youtube.com/watch?v=HOR6zm_Yziw&feature=player_detailpage http://www.youtube.com/watch?v=WkgKYjrNLwg&feature=related Some interesting lessons in these video clips.

b) More Lawn Sprinkling restrictions?

http://www.vancouversun.com/technology/technology/4414160/story.html http://www.vancouversun.com/life/life/4429798/story.html Just early mornings lawn watering proposed by Metro.

*c) Talking on cellphone alters brain activity http://www.vancouversun.com/health/health/4330741/story.html

*d) Which is "better" - low or high density?

http://www.humantransit.org/2010/03/does-highdensity-life-have-a-bigger-ecological-footprint-and-why.html shows there are many factors to consider!

7. Chair & Date of next meeting.

Thursday April 21st 2011

ATTACHMENTS -List of Recent Emails to FONVCA
OUTSTANDING COUNCIL ITEMS-Cat Regulation Bylaw;
Review of Zoning Bylaw; Securing of vehicle load bylaw;
Snow removal for single family homes bylaw.

FONVCA Received Correspondence/Subject 21 February 2011 → 13 March 2011

LINK	SUBJECT
http://www.fonvca.org/letters/2011/21feb-to/Corrie_Kost_23feb2011.pdf	2011-2015 Draft Financial Plan
http://www.fonvca.org/letters/2011/21feb-to/Monica_Craver_26feb2011.pdf	Mountain Biking
http://www.fonvca.org/letters/2011/21feb-to/Wendy_Qureshi_27feb2011.pdf	Referendum on DNV Growth
http://www.fonvca.org/letters/2011/21feb-to/Monica_Craver_28feb2011.pdf	Importance of Vernal Pools / Wetlands
http://www.fonvca.org/letters/2011/21feb-to/Monica_Craver_3mar2011.pdf	Forest Ecosystems & Mountain Biking

Past Chair of FO	NVCA (Jan 2007-p	present)	Notetaker
Mar 2011	Val Moller	Lions Gate C.A.	John Hunter
Feb 2011	Paul Tubb	Pemberton Heights ← Special focus on 2011-2015 Financial Plan	Dan Ellis
Jan 2011	Diana Belhouse	S.O.S.	Brenda Barrick
Dec 2010	John Hunter	Seymour C.A. ← Meeting with DNV Staff on Draft#1 OCP	None
Nov 2010	Cathy Adams	Lions Gate C.A.	John Hunter
Oct 2010	Eric Andersen	Blueridge C.A.	Paul Tubb
Sep 2010	K'nud Hille	Norgate Park C.A.	Eric Andersen
Jun 2010	Dan Ellis	Lynn Valley C.A.	Cathy Adams
May 2010	Val Moller	Lions Gate C.A.	Cathy Adams
Apr 2010	Paul Tubb	Pemberton Heights	Dan Ellis
Mar 2010	Brian Platts	Edgemont C.A.	Diana Belhouse
Feb 2010	Special		
Jan 2010	Dianna Belhouse	S.O.S	K'nud Hille
Nov 2009	K'nud Hill	Norgate Park C.A.	Eric Andersen
Oct 2009	Dan Ellis	Lynn Valley C.A.	Cathy Adams
Sep 2009	Brian Platts	Edgemont C.A.	Dan Ellis
Jul 2009	Val Moller	Lions Gate N.A.	Diana Belhouse
Jun 2009	Eric Andersen	Blueridge C.A.	Diana Belhouse
May 2009	Diana Belhouse	S.O.S	Eric Andersen
Apr 2009	Lyle Craver	Mt. Fromme R.A.	Cathy Adams
Mar 2009	Del Kristalovich	Seymour C.A.	Dan Ellis
Feb 2009	Paul Tubb	Pemberton Heights C.A.	Cathy Adams
Jan 2009	K'nud Hille	Norgate Park C.A.	Eric Andersen
Dec 2008	Dan Ellis	Lynn Valley C.A.	Paul Tubb
Nov 2008	Cathy Adams	Lions Gate N.A.	Dan Ellis
Sep 2008	Brian Platts	Edgemont C.A.	John Miller
Jul 2008	Diana Belhouse	Delbrook C.A.	Lyle Craver
Jun 2008	Eric Andersen	Blueridge C.A.	Diana Belhouse
May 2008	Herman Mah	Pemberton Heights C.A.	Cathy Adams
Apr 2008	Del Kristalovich	Seymour C.A.	Del Kristalovich
Mar 2008	K'nud Hille	Norgate Park C.A.	Dan Ellis
Feb 2008	Lyle Craver	Mount Fromme R.A.	Lyle Craver
Jan 2008	Dan Ellis	Lynn Valley C.A.	John Miller
Nov 2007	John Miller	LCCRA	Lyle Craver
Oct 2007	Cathy Adams	Lions Gate N.A.	John Miller
Sep 2007	Diana Belhouse	Delbrook C.A.	Lyle Craver
Jul 2007	Eric Andersen	Blueridge C.A.	Lyle Craver
Jun 2007	Brian Platts	Edgemont C.A.	Diana Belhouse
May 2007	Dan Ellis	Lynn Valley C.A.	Eric Andersen
Apr 2007	John Miller	Lower Capilano R.A.	Lisa Thon
Mar 2007	Cathy Adams	Lions Gate N.A.	Dan Ellis
Feb 2007	Diana Belhouse	Delbrook C.A.	Jenny Knee
Jan 2007	Brian Platts	Edgemont C.A.	Jenny Knee
			-

FONVCA Minutes Feb 24th 2011

Place: DNV Hall 355 W. Queens Rd V7N 2K6

Time: 7:00-9:00pm

Attendees

Paul Tubb (CHAIR) Pemberton Heights C.A.

Cathy Adams Lions Gate N.A.

Eric Anderson Blueridge C.A.

Diana Belhouse Delbroook C.A. and

NV Save our Shores Soc.

Lyle Craver
Dan Ellis (NOTES)
Katherine Fagerlund
K'nud Hille
John Hunter
Peter Thompson
Lynn Valley C.A.
Lynn Valley C.A.
Norgate Park C.A.
Seymour C.A.
Edgemont C.A.

Elizabeth Watkinson ??

Guests

Nicole Deveaux, DNV Dir. of Financial Services Rick Danyluk, DNV Mgr – Financial Planning

The meeting was called to order at 7:05 PM

1. ORDER / CONTENT OF AGENDA

No added items.

2. ADOPTION OF MINUTES

http://www.fonvca.org/agendas/feb2011/minutes-jan2011.pdf Moved John Hunter, seconded Eric Anderson and carried to adopt Jan 20th minutes as circulated.

3. OLD BUSINESS

3.1 Council Agenda Distribution

Cathy Adams to follow up with Corrie to see if further action is needed.

4. CORRESPONDENCE ISSUES

4.1 Business arising from 13 regular e-mails No discussion.

4.2 Non-posted letters – 0 this period.

5. NEW BUSINESS

Council and other District Issues

5.1 2011-2015 Draft Financial Plan

For details of the plan see http://www.dnv.org/article.asp?c=1021

Nicole Deveaux gave an accelerated version of her presentation to Council. Key points were:

- new landscape: OCP informs financial plan, new financial tools, DNV is change-ready.
- conservative (fragile economic recovery) stressed org'l capacity (stimulus projects).
- regional issues: infrastructure, regional status, heavy industry issues.
- increases: 4% salary (pre-Olympic settlement), RCMP 4%, 2% for exempt staff, \$30M new assets in service (O&M costs), Fire Dept \$0.5M offset by new inspection fees, Corporate Services investments in energy saving items.
- these costs drive a 6% tax hike; lowering that to 3% means finding \$1.8M in revenue or cuts.
- BC rules mean that DCCs are for expansion of infrastructure, not renewal. Can't use during no/low growth! Need Victoria to relax this.

<u>Motion</u>: FoNVCA write a letter of thanks, with cc to Council, expressing our appreciation for the presentation. Carried unanimously. - ACTION

5.2 – 5.6 Information only – no discussion

* 5.2 DNV Population Growth – by Nancy Pow http://www.nsnews.com/news/swelling+population+will+fatten +bills/4293546/storv.html

* 5.3 Example of good use of Indicators http://www.whistler2020.ca/whistler/site/explorer.acds

* 5.4 The Good & Bad of High rises http://goliath.ecnext.com/coms2/gi_0199-6576657/The-consequences-of-living-in.html

http://www.pdf-freedownload.com/pdf-folder/architectural-

http://web.uvic.ca/psyc/gifford/pdf/ASR%20High%20Rises%2 Oproof.pdf

http://repository.tamu.edu/bitstream/handle/1969.1/5430/ESL-IC-06-11-273.pdf?sequence=4

http://eprints.ucl.ac.uk/2647/1/2647.pdf (cost/sq-m increases)

http://www.ottawa.ca/residents/planning/design_plan_guidelines/completed/high_rise_housing/guidelines_high_rise_housing_en.pdf

* 5.5 Sustainable Communities

forms-for-high-rise-buildings-pdf.php

http://www.sustreport.org/issues/sust_comm3.html

* 5.6 Residents Association Guide

www.wearvalley.gov.uk/media/pdf/r/2/ResidentsAssociationGuide.pdf

6. ANY OTHER BUSINESS

6.1 Legal Issues (only a) & b) were discussed)

a) West Vancouver – Owner occupancy of Homes with Secondary Suites.

http://www.fonvca.org/agendas/feb2011/west-vancouver-11feb21-R1.pdf http://www.fonvca.org/agendas/feb2011/west-vancouver-11feb21-crnotes.pdf http://www.nsnews.com/news/news/4293548/story.html

Public hearing Feb 21st; need to monitor this issue.

b) Abbotsford Considering Break from FVRD

http://www.canada.com/vancouversun/news/westcoastnews/story.html?id=2d95f927-65d5-4084-9464-56cb89912039&k=83562

Monitor; discuss at future meeting.

*c) Court Upholds House Height Covenant

http://www.nsnews.com/news/Court+upholds+house+height+covenant/4264467/story.html

6.2 Other Issues (only item d) discussed)

- * (b) Ethics and use of Email BCC Corrie Kost http://www.fonvca.org/agendas/feb2011/ethics-bbc.pdf
- * (c) UV Efficacy in Water Treatment Plants http://www.environmentalexpert.com/Files/11087/articles/5662/uv_01_33.pdf

(d) Print Shop & Healthy Neighbourhoods Funding http://www.fonvca.org/letters/2011/17jan-to/Jeanine_Bratina_24jan2011.pdf

Discussion of past use; differences amongst CAs (size). Review at next meeting.

7. CHAIR AND DATE OF NEXT MEETING Thursday March 17th 2010

Chair: Val Moller-Lions Gate N.A.

Notes: John Hunter - Seymour C.A.

Meeting was adjourned at 9:30PM.

Item 5.2 - 4 pages of 81 page report

Hard Lessons about Philanthropy & Community Change from the Neighborhood Improvement Initiative

Prudence Brown and Leila Fiester

March, 2007

Prepared under contract to the William and Flora Hewlett Foundation

ACKNOWLEDGMENTS

Many people's ideas and viewpoints enriched this report, and we appreciate their contributions. First is the Hewlett Foundation, which took the brave and unusual step of subjecting the Neighborhood Improvement Initiative to outside review and public scrutiny. Hewlett's genuine desire to learn about different perspectives on NII opened many doors to our inquiry, and its commitment to sharing the results with other funders and practitioners earned widespread respect. In particular, Paul Brest engaged actively in the review process—questioning our assumptions, challenging us to dig deeper, and helping us understand Hewlett's thinking as it evolved. We are also grateful to Alvertha Penny and Kris Palmer, who reflected deeply and candidly on their experiences as NII's key program staff. We benefited greatly from their ability to pinpoint NII's achievements, their desire to cut through the disorder of competing views to underlying themes, and their willingness to acknowledge things they wished they had done differently.

We also want to thank folks who agreed to be interviewed about NII, including community foundation managing partners and project managers, evaluators, technical assistance providers, neighborhood residents, and local intermediary directors. Reflecting on NII was old business for many of them, but they rose to the occasion and gave us much-needed facts and observations. To ensure that we captured their views accurately, we sent a draft report to everyone we interviewed. We particularly want to thank the interviewees who provided extensive feedback: Paul Brest, Alvertha Penny, Kris Palmer, Peter Hero, Renee Berger, Liz Vasile Galin, Nadinne Cruz, Rachel Lanzerotti, and Shiree Teng. Our special reviewers—Michael Bangser, Tom Burns, Ben Butler, and Anne Kubisch—brought a wealth of experience and expertise to our analyses. Our report also benefited from the ideas and suggestions of Harold Richman from Chapin Hall.

One final note. For several years, Leila Fiester has worked closely with Ralph Smith, chief architect of the Annie E. Casey Foundation's Making Connections initiative, to analyze Casey's work and distill lessons from it. Ideas developed during those conversations are detailed in several products, some of which have yet to be published. Ralph was not a reviewer of this paper on NII, and undoubtedly would not agree with everything it says. Nonetheless, Leila would like to acknowledge that many of his reflections and insights on place-based community change have shaped her work on this project.

ABOUT THE AUTHORS

Prudence Brown is a Research Fellow at the Chapin Hall Center for Children at the University of Chicago, a policy research center devoted to improving the lives of children and the families and communities in which they live. She works in Chapin Hall's Program on Philanthropy and Community Change, an effort to build knowledge and stimulate learning for foundations and their partners in community change. Her work focuses on how to document, evaluate, learn from, and assist community change; and how to improve policies and practices for building communities that support children and families. Before joining Chapin Hall, she was deputy director of the Urban Poverty Program at the Ford Foundation. She holds a B.A. from the University of Chicago and a Ph.D. in Social Work and Psychology from the University of Michigan.

Leila Fiester is an independent author and researcher with a background in journalism, social research, program evaluation, and cultural anthropology. She specializes in issues, initiatives, and policies that affect children, families, communities, and service systems; and in efforts to improve philanthropic practices. Based in Frederick, MD, she helps national foundations and organizations plan, assess, and describe their strategies; analyze practices and outcomes; distill lessons and implications; and share their stories. Leila previously served as a senior associate of Policy Studies Associates in Washington, DC, which conducts research and evaluation of education reforms, and as a reporter for *The Washington Post*. She holds a B.A. in Anthropology from Macalester College and an M.A. in Journalism from the University of Maryland.

THE WILLIAM AND FLORA HEWLETT FOUNDATION

March 2007

This is the story of a philanthropic initiative that did not meet the expectations of its many stakeholders. Given the challenging social problems that foundations and our grantees try to solve, we should expect that we will often fail to achieve our shared aspirations. When this happens, we should seize the opportunity to understand the causes in order to improve our own performance and benefit others working in the field.

From 1996 through 2006, The William and Flora Hewlett Foundation committed over \$20 million to a Neighborhood Improvement Initiative (NII), an initiative designed to improve the lives of residents in three Bay Area communities—West Oakland, East Palo Alto, and the Mayfair area of East San Jose. The Hewlett Foundation enlisted three community foundations as "managing partners," and we created new organizations as well as involving existing ones in the neighborhoods. The NII was intended both to achieve tangible improvements for residents and to strengthen the long-term capacity of the community foundations and neighborhood organizations to sustain change.

While the West Oakland project self-destructed early on, the NII left Mayfair and East Palo Alto better than it had found them, and helped create organizations that continue to serve their residents in youth development, education, public safety, and other areas. Despite the huge investment of financial and human resources, however, the NII fell far short of achieving the hoped-for tangible improvements in residents' lives. While some stakeholders view characterizing the NII as a failure as too harsh, it certainly was a great disappointment.

Learning from failure or disappointment is more easily said than done. Understandably but regrettably, "failure" is treated as a dirty word in the nonprofit sector. While the main cost of a foundation's acknowledging failure is some bruised egos, other organizations' future funding may be on the line. In any event, consistent with the adage that victory has a thousand fathers but defeat is an orphan, unsuccessful ventures more often lead to finger pointing than reflection. Thus, the learning process begs for the perspective of a neutral party.

The entire field is fortunate that two acknowledged experts in community development were willing to undertake this study, and also fortunate that many participants in the NII were willing to speak frankly to them. In the face of the Rashomon-like quality of this complex venture, Prudence Brown and Leila Fiester have done a remarkable job identifying what is known and what is contested. Most important, they have drawn valuable conclusions that will help others who are undertaking comprehensive community initiatives.

I leave it to their study to describe implications for the field. Here, I will just mention the major lessons that the Hewlett Foundation took away from the experience. For us, it reinforced the critical importance of clarity about goals, strategies, and indicators of

progress, as well as the need for all the participants in a joint venture to agree on these matters at the outset. This does not foreclose significant course corrections along the way—but that term implies that there is a course to correct, and this was not always evident in the NII.

At any given time, the NII had a mix of substantive and capacity-building goals for improving residents' lives and building indigenous capacity to continue doing so after the initiative ended. But the specific projects were constantly changing, and the strategies never quite kept up with them, nor did efforts to assess their progress. Indeed, it was not until some time into the venture that the NII articulated and pursued clear, tangible objectives for improving the communities and began to assess progress toward them.

Efforts to strengthen disadvantaged communities require perseverance, patience, and sustained focus on a limited number of strategies. The role of evaluation is seldom to determine whether one has ultimately succeeded, but rather to give the participants the feedback necessary to know whether they are on the path to success so that they can make adjustments if they are not.

Like most of the other participants, we came to understand these principles better during the course of the NII. The Foundation's efforts to induce other NII participants to focus on outcomes were seen as heavy-handed, doubtless with some reason. Given the complex relationships among the various organizations, and the power dynamics that infused them, what the Foundation intended as helpful interventions were sometimes taken as capricious intrusions.

The NII experience has not made us skeptical about undertaking ambitious systemic approaches to social change locally and globally. But it has given us a renewed understanding that such change is as difficult as it is important. It has heightened our consciousness of the power that funders wield. And I hope that it has improved the Foundation's ability to wield that power respectfully at the same time that we press grantees and ourselves to attain the clarity of goals, strategies, and feedback that is essential to such ventures having even a chance of success.

For all the problems described in the report, we are proud of our partners' and our own work in East San Jose and East Palo Alto—work that continues to bear fruit. And we continue to collaborate productively with Bay Area community foundations to improve the prospects for disadvantaged communities in the region.

I hope that readers will find Prudence Brown's and Leila Fiester's report as helpful as my colleagues and I have.

Paul Brest, President

The William and Flora Hewlett Foundation

Agenda Item 5.3



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Development Cost Charges

WHAT HOW

Using Development Cost Charges to Finance Smart Development

Development Cost Charges (DCCs) are the most common means of financing growth-related infrastructure. They are one time charges that local governments can levy on all new subdivision and building at the time of approval. DCCs shift financial responsibility for providing capital costs for off-site infrastructure, including sewer, water, storm drainage, roads, and parkland, from the general tax base to the developers of new growth requiring the infrastructure. However, DCCs cannot be used to pay for ongoing maintenance and operating costs for new infrastructure. Local governments are authorized to collect DCCs under the Local Governments Act (see Sections 932 – 37.1).

[Use the tab above to learn HOW to reduce emissions with this tool.]

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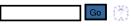
Your input, success stories, and questions will better equip local governments to confront the climate change challenge and build better communities. You can also take further questions to a Smart Planning for Communities Facilitator.

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1 of 1 14/03/2011 8:31 AM



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Development Cost Charges

Urban expansion and development often leads directly to an increase in the demand for sewer, water, drainage, parks and roads.

Subject Areas



Development cost charges (DCC's) are monies that municipalities and regional districts collect from land developers to offset that portion of the costs related to these services that are incurred as a direct result of this new development. The demand created does not always relate to works that are located adjacent to the property being developed. For example, new development may require a local government to increase the size of its water storage reservoir. Developers pay DCCs instead of the existing taxpayers who are not creating the demand and are not benefiting from the new infrastructure.

Divisions



Using DCCs, local government can apply a common set of rules and charges to all development within a community. DCCs are applied as one-time charges against residential, commercial, industrial and institutional developments. They are usually collected from developers at the time of subdivision approval or at the time of issuing a building permit.

<u>Part 26, Division 10</u> of the *Local Government Act* sets out the general requirements under which local governments may charge DCCs.

The following Ministry publications provide a comprehensive discussion of DCC's:

Quick Links



- Development Cost Charges Best Practices Guide (454 KB)
- <u>Development Finance Choices Guide</u> (491 KB)

Municipal councils and regional district boards have the statutory obligation to consider the impact of the DCCs on development and in particular the development of reasonable priced housing and service to the land

About the Ministry

Vision
Mission Statement
Values and Principles
MCD Service Plan

DCC Exemptions

DCCs may be imposed on most, but not all, residential and commercial development. However, buildings for public worship, development subject to a land use contract and buildings under \$50,000 are specifically excluded from DCC charges. Services such as: childcare, fire and police protection, libraries, recreation are also generally exempt from DCC charges. The City of Vancouver and the Resort Municipality of Whistler are exceptions to this rule.

Top

Application of DCCs (Physical Area)

DCCs can be specified according to different zones or specified areas as they relate to different classes and amount of development, but charges should be similar for all developments that impose similar capital cost burdens on a local government. For example, DCCs for road costs may be charged at the same rate across the municipality, while DCCs for sewer costs may be charged based on a development's specific location.

Financial Requirements

DCCs must be kept in a separate fund from a local government's general operating fund. A local government may only spend DCC monies, and the interest earned on them, for the specific projects and services for which they were originally collected. For example, DCCs collected for sewer infrastructure in a new development may only be spent on this development's new sewer system.

Generally, infrastructure construction begins after enough DCCs have

1 of 2

been collected by the local government for the project; however, in certain circumstances construction must begin before enough funds have been collected. In these circumstances either the local government or the developer will "front-end" the cost. These costs are then recovered through DCCs as the development progresses. If either the local government or the developer borrows funds to pay these costs the interest paid on these borrowed monies can be recovered through future DCCs.

Collection of DCCs

DCCs must be paid in full at the time of subdivision approval, or when the building permit is issued. The Development Cost Charge (Installments) Regulation [Appendix B in the DCC Best Practices Guide (3.4 MB)] sets out the circumstances in which DCC payments can be made by installment. DCCs are not payable if the new development does not negatively impact the existing infrastructure or cause improvements to be made.

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Feedback

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Agenda Item 5.3



Development Cost Charge

GUIDE FOR ELECTED
OFFICIALS





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Introduction

It is widely accepted that growth, when facilitated by good planning, benefits communities and their economies. Local governments have come to recognize, however, that the accommodation of growth is not a cost-free exercise. Growth creates demands for the construction of new infrastructure, and the expansion of existing local services. The cost of meeting these demands is often substantial and, at times, beyond the ability of local governments to fund using existing financial resources.

The development industry understands that growth creates new demand for local government infrastructure and services. The industry also understands that local governments are not able to directly absorb all growth-related service costs, and that growth itself should assist in funding service needs. A range of development finance tools has been created to enable local governments to collect from development a portion of growth-related expenditures. Development cost charges (DCCs) represent one such tool.

The DCC Guide for Elected Officials is designed to increase understanding about DCCs among local government leaders. The Guide uses a "question & answer" format, which addresses important questions on DCCs and their use. The questions are grouped under the following headings:

- DCCs Defined;
- Establishing DCCs;
- When to Use DCCs;
- DCCs in the Broader Context;
- DCCs and Development; and,
- DCCs across British Columbia.

The Guide deals with the basics, or fundamentals, of DCCs. For a more detailed review and information about the technical aspects of DCCs, please refer to the Development Cost Charge Best Practices Guide, a Ministry of Community Services publication available electronically through the search function of the British Columbia Government website at www.gov.bc.ca

DCCs Defined

What are development cost charges?

Development cost charges are fees that municipalities and regional districts choose to collect from new development to help pay the cost of off-site infrastructure services that are needed to accommodate growth.

Local governments are limited in the types of services they may fund using DCC revenues. Specifically, DCCs may be used to help offset costs associated with the provision, construction, alteration or expansion of:

- roads, other than off-street parking;
- sewer trunks, treatment plants and related infrastructure;
- waterworks; and,
- drainage works.

DCCs may also be collected to assist in the acquisition and development of parkland, but may not be used to pay for other types of services, such as recreation, policing, fire and library, that are affected by growth.

DCCs are applied as one-time charges against residential, commercial, industrial and institutional developments. DCCs are usually collected from developers at the time of subdivision approval in cases where such approval is required. Where subdivision approval is not required, the charges are applied at the building permit approval stage.

DCCs may be imposed on most, but not all, development that occurs in a community. The *Local Government Act* specifies that DCCs may not be levied against:

- any building which is used solely for public worship;
- developments that are subject to a land-use contract;
- a residential building which contains fewer than

- four units, unless otherwise specified by the local government; and,
- developments of less than \$50,000 in value, unless otherwise specified by the local government.

What is the history of DCCs in British Columbia?

The history of DCCs in British Columbia began in 1958. In that year, amendments to the *Municipal Act* were made to address the growing inability of local governments to fund growth-related works. The amendments empowered the approving officer in each municipality to reject a subdivision plan if, in the opinion of the officer, the cost to the municipality of providing the related off-site infrastructure services was excessive.

Prior to these changes, municipalities were expected to provide off-site infrastructure services to all subdivisions using tax revenues and other sources of funding. Approving officers were not permitted to reject applications on the basis of servicing costs. With the changes to the *Municipal Act*, municipalities introduced Excessive Subdivision Cost Bylaws or Impost Fees to try to recover servicing costs for new development.

Court challenges in the early 1960s resulted in impost fees being rendered invalid. Municipalities, it turned out, had the authority to reject subdivision plans on the basis of service costs, but had no authority to tie the approval of plans to the payment of impost fees. The court rulings returned municipalities to the difficult position they occupied prior to 1958. To capture the benefits from growth, municipalities had to fund, on their own, the off-site infrastructure required to accommodate the growth. If municipalities were unable to fund the infrastructure, development applications were rejected, and the benefits from growth were lost.

Further amendments to the *Municipal Act* were introduced to overcome this dilemma. In 1971, local governments were given the power to enter into land use contracts with developers. These contracts became the vehicle for imposing off-site infrastructure servicing requirements and impost fees on development within the specified contract area. The validity of imposing fees under these contracts was upheld by the courts.

Land use contracts often involved protracted negotiations and produced a patchwork of contracts, each with its own requirements and fees for development. In 1977, land use contract powers were eliminated, and the current authority to impose development cost charges was introduced.

Using DCCs, local governments (municipalities and regional districts) can apply a common set of rules and charges to all development within a community.

Over the past twenty-five years, court rulings and legislative changes have refined DCCs and their application in British Columbia. The fundamental principle and structure of DCCs, however, remains unchanged.

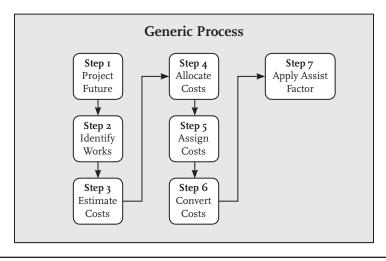
Establishing DCCs

How are DCC rates calculated?

The calculation of DCCs brings together a number of pieces of information, including the:

- types, locations and amounts of growth that are projected to occur over a specified future period;
- infrastructure services required over the same period to accommodate the growth;
- estimated cost of the services;
- portion of the total cost to be paid by the existing population (which benefit from new infrastructure);
- relative impact of each type of growth on the services; and,
- degree to which the existing users assist growth in paying its share of costs.

Approaches to calculating DCCs will vary to some extent by community. It is possible, however, to outline a set of generic steps that are important to developing a DCC program. The accompanying flowchart presents a generic seven-step process. The text below the chart describes each individual step in detail.



• STEP 1 – Project Future Growth

A local government begins the process by determining the amount of growth that is projected to occur over a specified future period of time (e.g., 5 years, 10 years, and 20 years). Because DCCs are applied to actual development instead of new population, the amounts of the different types of development that are expected to occur are projected. Most local governments project figures for various types of residential development (e.g., single family, townhouses, apartment), as well as commercial, industrial and institutional growth.

• STEP 2 – Identify Required Works

Once growth has been projected, the local government determines the specific infrastructure works that will be required to accommodate the growth. As noted earlier, DCCs can only be collected to help fund waterworks, wastewater projects, drainage works, major roads, and acquisition and development of parkland. Other infrastructure services cannot be funded, in whole or in part, using DCC revenues, and are, therefore, not identified in the calculation.

• STEP 3 – Estimate Infrastructure Costs

The infrastructure projects identified in Step 2 are costed in Step 3 of the process. For DCC purposes, the total cost estimate for each project can include a variety of separate costs that will be incurred by the local government in providing the infrastructure. Project costs related to the following activities may be included.

- Planning
- Engineering design
- Land acquisition
- Contract administration Construction
- Contingencies
- Remittance of net GST
- Public consultation
- Right of way
- Interim debt financing
- Legal review

Long-term debt financing costs cannot be included in cost estimates for DCC projects.

• STEP 4 – Allocate Costs to Growth/Existing Users
Not every project identified for DCC purposes will
be required solely to accommodate growth. Most,
if not all, of the identified works will be deemed to
benefit, and will be required by, both growth and
the existing population. Growth is expected to pay
only for the portion of the works that it requires.
The existing population is expected to pay for the
remaining portion using other sources, such as tax
and utility revenues.

The costs of the DCC works are allocated between growth and the existing population on the basis of benefit.

• STEP 5 – Assign Costs to Land Use Types
Once the infrastructure costs have been allocated between the existing population and growth, the portion attributable to growth is assigned to the various types of growth – residential, commercial, industrial, institutional – that are projected to occur. Costs are assigned in a way that reflects the relative impact of each type of development on the works required.

• STEP 6 – Convert Costs into DCC Rates The aggigned infrastructure costs are cor

The assigned infrastructure costs are converted into actual DCC rates that can be charged to individual development projects. The total cost assigned to each development type is divided by the number of development units (e.g., number of dwellings, square metres, hectares) expected over the DCC program time frame. The result is a per-unit charge that can be easily applied to individual developments as they occur.

• STEP 7 – Apply Assist Factor

The final step in calculating DCCs is to apply the assist factor. The assist factor is the contribution that the existing population must provide to assist future growth in paying its portion of the DCC infrastructure costs. The assist factor is over-and-above the portion of the total infrastructure cost that is allocated to existing users in Step 4.

The assist factor reduces the DCC rates by the specific level of assist chosen. Under the *Local Government Act*, the level chosen must be at least one percent.

What are some of the decisions that need to be made?

Over the course of the DCC establishment process, local governments are required to make certain decisions. Individually and together, these decisions give shape to the DCC program, and help to determine the specific DCC rates. Some examples of the types of decisions local governments need to make are provided below.

Time period for the DCC program

A local government must choose a future period of time over which to apply its DCC program. This choice will be influenced by the time period that has been established for the community's broader growth management framework, particularly its Official Community Plan (OCP) and servicing plans.

The OCP projects the amount and types of growth that are expected in the community over a specified future period of time. The servicing plans identify the servicing efforts that the community needs to undertake in order to provide for, and to shape, the growth that is projected to occur.

In many communities, the OCPs and servicing plans cover only a short- or medium-term future period of five to ten years. Local governments in these places are limited to the same period for their DCC programs (the required growth and infrastructure projections for longer DCC programs are not available). An increasing number of local governments are now, however, beginning to conduct detailed growth and capital planning exercises for longer periods of time, in some cases twenty years. The data available from the long-term planning efforts enable these local governments to create equally long-term DCC programs.

For a number of reasons, long-term DCC programs are considered preferable to short-term programs. Long-term programs tend to provide greater flexibility to governments in the scheduling of works, since specific works can be delayed or brought forward without upsetting the overall rate structure. Developers know that the rates charged today will remain relatively stable over a longer period of time. Longer time frames provide greater certainty to developers who wish to invest in communities.

It should be noted that local governments that extend their DCC programs over a long-term period are not "locked in" to the set of DCC rates and the specific infrastructure projects for the entire duration of the program. Like all long-term planning documents, DCC programs are regularly updated to account for changes in trends, policy objectives, inflation and other inputs. These updates provide local governments the opportunity to modify DCC programs and rates.

Use of DCC sectors

By default, a local government's DCC program applies to all new development throughout the entire community. Local governments may choose, however, to divide the community into different DCC sectors, and develop a separate DCC program for each one. Local governments may even choose to have different sets of sectors for different types of works. For example, three sectors for roads, five sectors for drainage, and so on.

The decision to establish DCC sectors will reflect, in part, a community's planning goals. A community that wishes to encourage efficient, higher density development in a town centre, for example, may create a separate town centre DCC sector for roads. The roads DCC program for this sector would allow the local government to take into account the low impact that high density housing has on roads, relative to that of additional road requirements for low density, suburban housing. The lower road DCC rates in the town sector would acknowledge the differences in impact.

The decision to establish sectors may reflect, in addition, the infrastructure projects to be developed. Some works, such as wastewater collectors, pump stations and water mains may be deemed to have a specific benefit to a defined area. The creation of DCC sectors for the funding of these works would promote the principle of equity by enabling the local government to apply the project costs directly, and solely, to the project beneficiaries. Other works, such as wastewater and water treatment plants, tend to provide a broad and equal benefit to the entire community. Separate DCC sectors would probably not be appropriate for these works.

Method of allocating costs

As noted earlier, off-site infrastructure services required to accommodate growth will often provide some benefit to the existing population. Where a dual benefit is deemed to exist, growth should not be expected to fund the entire cost of the DCC works. The existing population should, through its local government, pay its fair share, using tax or other financing sources.

Calculating the existing population's share of costs is, in some cases, an exact process. Consider a new wastewater treatment plant. Existing users will represent an exact percentage of the total number of users (including newcomers) that will ultimately be connected to the system. The actual percentage can be used to represent the existing population's share of costs.

In other cases, the local government may choose to take a different approach to allocating costs. Consider a major, 20-year road program. Any attempt to precisely determine the existing population's benefit may prove difficult. The local government may determine that the major road program will equally benefit growth and the existing population, and decide the cost for the program be split 50-50.

The decision on how to allocate costs between growth and the existing population is a choice over which a local government has considerable discretion. However, the decision should be defendable on the basis of sound and well-reasoned arguments, because it will be scrutinized by the public, development industry and reviewed by the Ministry of Community Services.

Assigning costs to land use types

Each type of development has a different impact on the offsite infrastructure services being provided. The impact of each type, relative to that of others, needs to be considered when assigning the portion of total infrastructure costs attributable to growth - costs need to be assigned to development types on the basis of relative impact.

Local governments express relative impacts in terms of "equivalent units." Equivalent units express the impact of each type of development on a service relative to that of a single-family house. The relative impacts of the different development types will vary, as might be expected, by type of service.

Different sets of equivalent units, therefore, need to be developed for each service being included in a DCC program. Various sources of data are used by local governments to help establish equivalent units. Trip generation manuals published by traffic engineering associations are often used to determine relative impacts on road networks. Water usage data, collected from water metres, can be used to help determine relative impacts on waterworks.

Assist factor

The assist factor is the contribution that the existing municipality and/or regional district must provide to help growth in meeting its service cost obligations. The assist factor is over-and-above the portion of the infrastructure cost that is allocated to the existing population. Under the *Local Government Act*, the assist factor must be at least one percent.

The assist factor may vary by type of infrastructure, but not by type of development, or by DCC sector. For example, the assist factor applied to roads may differ from the factor applied to waterworks. A common roads assist factor, however, must be applied to all types of development throughout the entire community.

The setting of the assist factor is a policy decision made by elected officials. Decision-making should take into consideration the local government's objectives in addressing issues of land efficiency, housing affordability, and community sustainability. In some communities the assist factor is used as a tool to promote certain goals, such as the development of affordable housing.

Who is involved in determining the rates?

Elected officials, staff and stakeholders have important roles to play in determining DCC rates.

Elected Officials

Municipal councils and regional district boards are responsible for the DCCs that are imposed on new development in their communities. Given this responsibility, it is important for elected officials to be involved in setting the rates.

Councils and regional district boards have some specific responsibilities. They must make decisions on a wide variety of issues – some of which have been discussed already – that arise during the DCC establishing process. In making decisions, the elected officials rely on staff to identify options, outline implications and provide recommendations.

Elected officials are also responsible for ensuring that the DCCs reflect important best practices, as well as key principles such as fairness and equity. Are the DCCs fair to both growth and existing ratepayers?

Finally, elected officials need to remain aware of their statutory obligation to consider the impact of the DCCs on development and, in particular, the development of reasonably-priced housing and serviced land.

Staff

Staff have two key responsibilities in the DCC rate-setting process. First, staff are responsible for undertaking all of the technical work required to produce, collect and assemble the data. Second, staff are responsible for advising the elected officials on the full range of issues that need to be considered. Examples of such issues include:

- the possible use of DCC sectors in place of areawide charges;
- the time frame for the DCC program;
- the types of development to be charged under different DCC categories (e.g., should all types of development pay parkland DCCs?);
- the development units on which to base charges (e.g., dwelling unit or size of built floor space);
- the eligibility of projects and the cost components to include in determining total project cost;
- the allocation of project costs between new and existing growth; and,
- the size of the assist factor.

Staff need to bring each of these issues, along with options and recommendations, to elected officials.

An additional role for staff in the rate-setting process is to help elected officials understand DCCs. In some communities, staff begin each DCC review with a detailed briefing on the purpose of DCCs, and the issues that need to be considered by council or the regional district board.

Stakeholders

It is important for local governments to involve key stakeholders in setting DCC rates. As explained in the DCC Best Practices Guide, stakeholders include "all persons, groups or organizations that have a perceived, actual or potential stake or interest in the results of the decision-making process." The list of stakeholders in developing DCCs should include:

- development industry groups, such as the Urban Development Institute, the Canadian Home Builders Association, and the British Columbia Real Estate Association:
- local private sector developers;
- public sector developers such as the local School District and Health Authority;
- business groups such as the Chamber of Commerce:
- local ratepayers groups and neighbourhood associations; and,
- the general public.

Each of these stakeholders will be impacted, to some degree, by the DCC rates established. Some will be impacted directly, in that they will have to pay the rates in order to proceed with development. Others will be impacted indirectly. Existing ratepayers, for example, will be required to pay the share of infrastructure costs that is not applied to growth.

During the DCC rate-setting process, the local government needs to provide opportunities for stakeholders to become informed of the issues and options, and to participate in the decisions that are made by the elected officials. At a minimum, the local government should hold a general public information meeting to present a draft DCC bylaw. The local government could also ask interested parties to review and comment on a draft DCC program. Stakeholder forums are another method of involvement to consider.

Some local governments have developed, in conjunction with the Urban Development Institute, local government liaison committees. These committees provide a forum for government officials to meet regularly with development industry representatives to discuss important issues, including DCCs.

The appropriate degree of stakeholder involvement will depend on a number of factors, including the size of the DCC program, the potential impact of the DCC rates, the level of interest expressed by stakeholders to participate and the local government's policy with respect to stakeholder involvement in governance. In all cases, some effort to provide meaningful opportunities for participation should be made. The opportunities should be available early in the DCC setting process, before any final decisions have been made.

The *DCC Best Practices Guide* recommends at least three opportunities for stakeholder involvement in the DCC rate-setting process:

- during the development of draft DCC rates by staff;
- immediately following first reading of the DCC bylaw by council or regional district board; and,
- during the revision of the bylaw, before second reading.

How are DCCs implemented?

DCCs are implemented by bylaw. Council or the regional district board initiates the bylaw process by instructing staff, often in response to a staff recommendation, to develop a DCC bylaw or amend an existing DCC bylaw. Staff develop the bylaw with input from the elected body and stakeholders, then forwards the bylaw to council or the regional district board for first reading. After first reading, more consultation with stakeholders and the governing body is undertaken to obtain input and to determine if amendments are required. Council or the regional district board then gives the bylaw second and third reading.

After third reading, the local government forwards the bylaw and all supporting information to the Ministry of Community Services, for the review of the Inspector of Municipalities, who is required under the Local Government Act to review and give approval to the bylaw before fourth reading. The bylaw and supporting documents are reviewed to ensure that:

- the methodology used to determine the rates is sound and complies with all legislative requirements;
- stakeholders have been consulted; and.
- the impacts of the rates on development have been considered.

If there are no issues with the bylaw, the Inspector of Municipalities grants statutory approval and returns it to the local government. Council or the regional district board gives fourth reading to the bylaw, after which it is ready to be implemented.

There are some specific policy issues related to implementation that the local government needs to consider. One issue concerns when to collect DCCs from growth. The Local Government Act states that DCCs are payable either at the time of subdivision approval, or at the issuance of a building permit. For single family residential developments, local governments typically choose to collect payments at subdivision approval in order to avoid having to front-end any infrastructure costs.

For non-residential development, local governments usually collect DCCs at the time of building permit issuance. DCCs for these developments are often based on built floor space rather than dwelling unit (the total floor space to be charged can be difficult to determine at subdivision approval). With respect to multi-family development, local governments often have no choice but to collect payments at the building permit stage, since multi-family housing subdivisions are relatively infrequent, compared to single family development subdivisions.

Another policy decision for elected officials relates to the notion of a "grace period." A grace period is the period of time between the approval of the DCC bylaw and the bylaw's effective date of application. If the rates in the bylaw are significantly higher than those that were previously charged, the local government may wish to grant a substantial grace period (e.g., up to one year) to allow developers to expedite projects for which financing has already been arranged.

Finally, it should be noted that the *Local Government* Act gives some protection to "in-stream" developments. Developments that have submitted complete subdivision applications, and that have paid their subdivision

application fees, are given a 12 month exemption from new DCC rates. These developments are entitled to pay the lower existing DCCs as long as they receive final subdivision approval during the 12 month period. This in-stream protection is distinct from any grace period that the local government may choose to offer.

When to use DCCs

When are DCCs a good idea?

DCCs are best suited to situations in which expenditures on works can be delayed until the DCC funds required to help pay for the works have been collected. As growth occurs, a local government begins collecting DCCs to help fund the necessary infrastructure. If possible, the local government will choose to delay the construction of the works until sufficient DCC funds have been collected. By treating DCC funds as a source of capital for the works, the local government can avoid having to front-end construction using borrowed funds.

Infill and mixed infill-greenfield developments that can benefit from a certain level of servicing already in place are considered to be particularly well-suited to DCCs. In these situations, the local government can postpone the construction of infrastructure until growth has materialized, and sufficient DCC revenues have been collected.

When should alternatives to DCCs be considered?

Greenfield developments, which typically do not have any level of servicing in place prior to growth occurring, are not always suited to DCCs. Greenfield sites can often require a significant up-front investment in infrastructure before development occurs and before DCCs can be collected. If the required works are part of the DCC program, it is the local government that is expected to front-end the works, and then recover up-front costs from growth as it occurs.

This reliance on DCCs as a method of cost-recovery can be difficult for local government. If growth does not occur as projected, the local government may not be able to recover all of its sunk costs.

What alternatives to DCCs exist?

It is important to recognize that DCCs are not the only development finance tool available to local governments in British Columbia. The Development Finance Choices *Guide*, published by the Ministry of Community Services, identifies and provides advice on other development finance tools that local governments can use to help fund the cost of infrastructure required by growth. The complete list of tools includes:

- Comprehensive development agreements
- Local improvements
- Specified areas
- User fees and charges
- Short-term borrowing
- Long-term borrowing
- Latecomer charges

- Development works agreements
- DCC credits and rebates
- Density bonusing
- DCCs
- Public-private partnerships
- Public-public partnerships

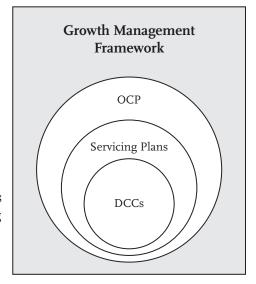
DCCs are probably the most popular tool in use today, but are clearly not the only one available. The key for local governments is to determine which tool, or set of tools, should be used at any given time. Different tools are both well-suited and poorly-suited to different types of situations. Chapter 6 of the Development Finance Choices Guide is designed to assist local governments in choosing the right approach for any given situation.

DCCs and the Broader Context

How do DCCs fit into a local government's growth management framework?

A local government's DCC program does not exist in

isolation to the community's growth management framework. On the contrary, the DCC program is a critical element of the broader planning context that includes the local government's OCP and servicing plans. The accompanying figure illustrates how these key components fit together.



The OCP presents the local government's preferred long-term development pattern, which describes:

- where future growth will be encouraged;
- where growth will not be encouraged;
- what types of development (e.g., mixed-use, high density residential) will be encouraged; and,
- what types of development (e.g., low density residential) will not be encouraged.

The local government's servicing plans identify the specific types and amounts of infrastructure that are required to bring the preferred development pattern to fruition. Servicing plans are normally created for

all major types of local infrastructure, such as roads, waterworks, sewerage and drainage systems, as well as for parkland.

The local government's DCC program contains the individual works, identified in the servicing plans that are required to accommodate growth. The cost of each of the works is allocated in the program between growth and the existing population. The portion allocated to growth forms the basis of the DCC rates.

What is the importance of good planning to DCCs?

The OCP's preferred development pattern is a direct reflection of the local government's growth management objectives. Many local governments have adopted what are typically referred to as "smart growth" objectives. Smart growth emphasizes the importance of environmentally-sustainable and economically-efficient development, characterized by compact urban forms, high density, mixed-use developments and an increased reliance on alternative modes of transportation.

Development patterns that are based on smart growth objectives are less expensive to service than patterns which encourage low density, spatially-dispersed growth. The higher servicing costs associated with traditional low density "sprawl" result in higher DCCs.

How can DCCs be structured to promote smart growth objectives?

DCCs are collected from growth to help pay the cost of services required to accommodate the growth. Existing data demonstrate that the overall cost of providing services to compact, medium, or high density, mixeduse development is lower than the cost of servicing traditional low density, suburban development. DCCs can be structured to recognize the differences in service costs, and to provide an incentive for smart growth developments. DCC sectors and density gradients are two mechanisms that can be used to achieve the desired effect.

DCC sectors can be established to separate compact, high density development areas from other parts of the community.

Infrastructure projects that are deemed to have no benefit to the growth within these sectors can be excluded from the sectors' DCC programs. The exclusion of such projects results in lower DCC rates.

Major (costly) trunk extensions and arterial roads required to service outlying development areas are examples of the types of projects that can be excluded from smart growth DCC sectors. Development that occurs in these sectors is not required to pay toward the cost of these projects.

Density gradients differentiate among developments on the basis of density rather than type of growth. Gradients are created to take advantage of the inverse relationship that exists between the density of a development and its impact on key services. In general, the lower the density of a development, the higher the impact of that development on the cost of providing water, wastewater and road infrastructure. Applying density gradients to growth serves to lower the DCC rates payable by higher density projects.

Most local governments with DCCs make use of a two-level residential density gradient that differentiates between single family and multi-family developments. Some local governments have four-level residential gradients that account for the different impacts of large- and small-lot single family dwellings, and of low-rise and high-rise apartment buildings.

DCCs and Development

Do DCCs deter development?

The total cost of developing a piece of land in a community can be broken into various individual components. The price of the land is one component, as is the cost of construction materials, the price of labour and the developer's return on investment, or the development's profit. DCCs – the cost of providing off-site infrastructure services to the land - represent another component. As the individual cost components change, so does the total cost of the development. Steep increases in individual costs can result in an overall cost that the market is unwilling to support. In such cases, development will be deterred.

DCCs, as one cost component, do affect the overall cost of development. A significant increase in DCCs could push the total cost above the level that the market is willing to pay, and could discourage development. The size of the DCC increase required to generate this result depends, in large part, on the magnitude of the other cost components. In markets where DCCs comprise a relatively large part of the total cost, changes in rates may have a considerable impact on development decisions.

The potential for DCCs to deter development is an important point for local governments to consider. In setting DCC rates, local governments need to recognize that the decisions they make will influence the overall cost of development in the community. Careful consideration needs to be given to the:

- amount of future infrastructure required (is it reasonable?);
- infrastructure cost projections (are they fair?);
- methods of allocating costs between growth and the existing population (is the split equitable?);

- rates charged to different sectors (do smart growth and infill developments pay in accordance with their lower relative impact on works, or do they subsidize greenfield projects?);
- need for a grace period (do developers need time to adjust to new rates?); and,
- assist factor (do the final rates need to be adjusted?).

The potential for DCCs to deter development should focus a local government's attention on the need to establish DCCs that are fair and reasonable. If DCCs have the potential to adversely impact development, local officials should consider the wider range of development finance tools that may be used in place of, or in addition to, DCCs. These are described in the Development Finance Choices Guide.

DCCs Across British Columbia

Who uses DCCs in British Columbia?

DCCs are a popular development finance tool in British Columbia. In high growth areas, such as the Lower Mainland, parts of Vancouver Island and the Central Okanagan, DCCs are quite common. The widespread use of DCCs in these regions reflects the strong demand for infrastructure to accommodate ongoing development. In regions characterized by more modest growth, DCCs are slightly less popular, but are still used. For example, several local governments in the Central Interior and Kootenay regions of the province have DCC bylaws in place.

Who charges what?

Comparisons of rates across communities are inherently problematic, in part because of differences in growth pressures and infrastructure needs, but also because of differences in the way that individual DCC programs are constructed. Local governments have considerable flexibility in setting DCC rates. The rates that are ultimately determined in any one jurisdiction will reflect that local government's decisions related to a wide variety of inputs, including the costing of works, the existing population's share of total infrastructure costs, the use of DCC sectors, the assignment of costs among development types, the units on which to base charges and the municipal assist factor. The rates will also reflect the local government's decision to use other development finance tools in place of, or in addition to, DCCs.

Notwithstanding the problems inherent with crossjurisdictional DCC comparisons, elected officials may appreciate the opportunity to review the approaches taken in other communities. The table on the following page provides a general sense of current DCCs across British Columbia, specifically for residential development.

It should be noted that the figures presented in the table have been rounded-off, and certain assumptions have been made (see "comments" column) in order to generate comparable data.

For a list of detailed rates, as they apply to all types of development throughout each of the centres listed, the local government should be contacted directly. The Ministry of Community Services can also provide a list of DCCs being applied throughout the province.

Residential DCCs across BC - January 2004

Jurisdiction	SFR*	MFR*	Comments	
Abbotsford	\$ 13,700	\$ 7,600		
Burnaby	\$ 7,450 - \$ 7,850	\$ 5,000 - \$5,400	both include GVSⅅ charge; assumes 100m² MFR unit; high rate in Edmonds Town Centre	
Castlegar	\$ 4,800	\$ 3,620		
Coquitlam	\$ 14,500	\$ 10,400	both include GVSⅅ charge; assumes medium density MFR	
Kelowna	\$ 9,900 - \$ 17,300	\$ 7,500 - \$ 13,000	lower rates are for City Centre; higher rates for outlying area	
Langford	\$ 6,100	\$ 4,800	includes CRD water DCC; assumes medium density MFR	
Nanaimo	\$ 9,000	\$ 6,000	assumes 100m ² MFR unit; DCCs recently eliminated for City Centre	
Parksville	\$ 2,800 - \$ 7,000	\$ 5,000 - \$ 5,500	ranges over sectors; assumes 100m² MFR unit	
Prince George	\$ 3,410	\$ 1,900	core area; medium density MFR	
Richmond	\$ 14,300	\$ 11,400	both include GVSⅅ charge; assumes medium density MFR	
Sidney	\$ 970 - \$ 3,225	\$ 970 - \$ 3,225	range for both types over sectors	
Surrey	\$ 21,000	\$ 6,000 - \$13,200	both include GVSⅅ charge; medium density 100m² MFR unit assumed; low rate in City Centre	

^{*}Figures provided are per dwelling unit. SFR - Single Family Residential, MFR - Multi-family Residential, GVS&DD - Greater Vancouver Sewerage and Drainage District, CRD - Capital Regional District

Closing Comments

DCCs are a popular tool of development finance that can help a local government achieve its growth management and financial objectives, while at the same time promoting and supporting growth.

When considering DCCs, local government officials are encouraged to keep in mind certain guiding principles that have been addressed in this *Guide*. These principles are summarized below.

• DCCs represent one choice.

DCCs represent one of the tools available to local governments in the provision of growth-related infrastructure. The *Development Finance Choices Guide* introduces and provides advice on other development finance tools. Certain tools are better suited than others to different development situations. Local government officials need to explore all options before choosing which tools to use.

• DCCs should support broader growth management objectives.

DCCs are an integral component of the local government's growth management framework. They should be developed and applied in ways that support, rather than undermine, the broader growth management objectives.

• Fairness and equity are critical in a DCC program. Those who require and benefit from municipal infrastructure should pay their fair share of the cost of providing the infrastructure. DCC rates, and the decisions on which they are based, need to be fair and equitable to the various types of growth that are projected to occur, and to existing taxpayers.

• Transparency in the rate-setting process is required. DCCs will be scrutinized by the public, the development industry and reviewed by the Ministry of Community Services. Local government decisions related to project costs, allocation of costs, use of sectors, the assist factor and other issues should be well-reasoned and explained.

DCCs should be current.

Local governments should regularly update their DCC bylaws to ensure that the rates reflect changes to infrastructure needs and project costs, as well as changes to important growth management objectives. At the same time, notwithstanding the need for regular updates, developers do expect a certain degree of stability in rates over time. Major changes to DCC programs may create uncertainty and discourage development.

• Stakeholder input is important.

DCCs impact many different organizations and individuals, including the development industry and existing ratepayers. All parties that may be affected by a DCC program should be afforded meaningful opportunities to participate in the DCC decision-making process.

For More Detailed Information

Ministry Best Practice Guides

Development Cost Charges Best Practices Guide Development Finance Choices Guide Available electronically through the search function of the British Columbia Government website at: www.gov.bc.ca

Or call

Ministry of Community Services Intergovernmental Relations and Planning Division

1-250-387-3394

Ministry of Community Services

Infrastructure and Finance Division 1-250-387-4060

Toll Free through Enquiry BC

In Vancouver call: 1-604-660-2421 Elsewhere in BC call: 1-800-663-7867



Item 5.4



Municipalities download debt to new-home buyers System doomed to fail when housing sector slows down

BY BOB RANSFORD, VANCOUVER SUN MARCH 5, 2011

If you are making mortgage payments on a new home, your borrowing is helping finance the municipality in which you live.

The heavy reliance by municipalities on development charges and pay-as-you-go schemes to finance public infrastructure has downloaded costs onto new homebuyers, placing upward pressure on household debt at a time when the Bank of Canada and many economists are warning that household debt in this country has risen to worrisome levels.

Local governments own most of the public infrastructure in Canada -- the water lines, sewer lines, roads, bridges and the like. They are also taking on more responsibility for infrastructure as the federal and provincial governments download their responsibilities. TransLink is a good example of this downloading. In 1999, the provincial government transferred responsibility for Metro Vancouver's network of major arterial roads, including aging and antiquated bridges and overpasses.

This downloading is burdening local governments in more ways than one. Basic infrastructure is aging fast. According to Statistics Canada, the average age of basic urban infrastructure in Canada was 16.3 years in 2007. Many components of Canada's infrastructure have either reached or passed their half usable life, requiring additional investment. Meanwhile, growth in our urban centres is far outpacing the replacement and expansion of this infrastructure, causing an "infrastructure gap".

Many local politicians argue that cities are limited in their access to revenues, with primarily property taxes, user fees and development charges being their only sources. Increasingly, cities are turning to hefty development charges, such as Vancouver's Development Cost Levies (DCLs) and Community Amenity Contributions (CACs), as a way to finance infrastructure and attempt to close the infrastructure gap.

A recent study commissioned by the Canadian Home Builders' Association has now found that development charges, like the CACs, which require new homebuyers to pay for growth-related basic infrastructure that ultimately becomes part of the public capital stock, are off-loading debt to households through personal mortgages.

The study, The Urban Infrastructure Challenge in Canada: Making Greater Use of Municipal Debt Options, undertaken by Altus Group Economic Consulting, points out that

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while Canada's government debt-to-GDP ratio declined from 69 per cent in the 1994/95 fiscal years to 28 per cent in 2007/08, during this same period household debt as a share of personal income rose from 100 per cent to 135 per cent. This increase in personal debt is occurring at the same time our neighbours to the south are still weathering a mortgage crisis brought on by homeowners carrying too much debt. Meanwhile, municipalities in Canada persist in passing the costs of infrastructure to new homebuyers in the price of new homes and these homebuyers are borrowing to pay these costs. This is bad public policy. This approach to financing basic urban infrastructure is both inequitable and inefficient.

New and upgraded basic urban infrastructure like streets, sidewalks, and sewerage treatment systems water supply lines benefit the entire community and deliver benefits over a long period of time. The costs associated with this basic infrastructure should be borne by the entire community and should be spread out over time to match the productive lifespan of that infrastructure, not over the life of someone's mortgage.

Financing public infrastructure debt through the household mortgage market is not only dangerous, it is also inefficient. Collectively, Canadian municipalities have relatively strong credit profiles and a capacity to finance infrastructure through municipal debt at costs well below what home mortgage holders pay. In short, Canadians are paying too much for the cost of borrowing this debt that is financing infrastructure.

Finally, the more municipalities rely on development charges as a source of revenue, the more they are setting themselves up for tough times ahead, especially when the housing sector slows down and these cyclical revenue sources slow to a dribble.

The cyclical nature of this revenue source turns development charges into revenue traps. Municipalities are forced during down times to cut back spending in other areas just to keep up with infrastructure maintenance, while having to postpone infrastructure renewal just as that infrastructure is aging.

We're all fooling ourselves if we think we've collectively, as communities, found the best way to financing urban infrastructure and pay for growth with development fees. It's time we looked at alternative financing methods, such as well planned municipal borrowing that amortizes infrastructure costs over time, minimizes borrowing costs and shares the real cost burden with all of those who benefit from the infrastructure.

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Item 5.4



Development charges take away affordability Municipalities put costs where they don't belong

BY PETER SIMPSON, SPECIAL TO THE SUN MARCH 12, 2011

Why do representatives from the homebuilding industry have to continually tell legislators across this vast country how their actions affect housing affordability? Shouldn't they already know that?

These elected individuals - coached by senior advisory staff, some of whom wouldn't step out of their don't-rockthe-boat comfort zone if their feet were on fire - pay lip service to the concerns of various housing groups, then vote in favour of raising development charges, fees, levies and other taxes, all of which place heavy burdens on homebuyers, particularly here in the Lower Mainland.

For years, the issue of housing affordability and choice has been top of mind, yet lawmakers continue to make decisions that put home ownership out of reach for many young folks. There outta be a law.

The federal finance minister recently announced a tightening of mortgage lending rules, effective March 18. Please, spare me the lecture that government acted to save Canadians from themselves, that families need to get their household debt in check before they can be allowed outside to play.

Some economists - many of them naysayers in training - occasionally don their black cloaks and announce to the world that the end is nigh. The media, on a slow news day, report their musings.

Their 15 minutes of fame achieved, the econo-mystics retreat to obscurity. Don't forget, if you lined up, shoulder to shoulder, all the economists in the world, they still wouldn't reach an agreement.

In case you think I have it in for economists, I don't. I have a great deal of respect for many local economists and housing analysts - Helmut Pastrick, Cameron Muir, Tsur Somerville, and others.

Nationally, there are, to name just three, Peter Andersen, Warren Jestin, and Canada Mortgage and Housing Corp. chief economist Bob Dugan, who recently commented on the household-debt issue.

Dugan said Canada's debt-toincome ratio is not high compared to other countries. "Canadians are not in any difficulty. While their debt has increased, their level of assets is five times their level of debt, and their debt-service costs are low relative to income. They are in good shape," he said.

The newly elected president of the Ottawa-based Canadian Home Builders' Association, Vince Laberge of Edmonton, believes the federal government's action on mortgage rules might be akin to the pot calling the kettle black, and he urged lawmakers at all levels of government to match the tightening of mortgage rules with reductions in government-imposed costs on home ownership.

"While some homeowners have been using their homes as ATMs, many governments have been doing exactly the same thing. In principle, there is no difference between policies that lead consumers or governments to use new homes as a source of funds. Both threaten access to home ownership and the financial well-being of homeowners. Both threaten housing markets and the economy," said Laberge in a recent address to the nation's home builders and renovators.

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Many times, in this column, I have chronicled how government-imposed charges in this region can add more than \$100,000 to the price of a new home, most of it lumped on to a mortgage.

Throughout the recession-ravaged U.S., local governments, which relied heavily on development fees to pay the bills, learned a hard lesson when the cash cow stopped producing. Municipal officials were forced to cash in investments and sell public assets to avoid insolvency. Some didn't make it. Some municipalities here are finding ways to have new development pay for community amenities, such as public art and synthetic-surface sports fields. If those amenities are deemed to benefit the whole community, they should be financed by the whole community, not just new-home buyers.

Laberge said this municipal reliance on development charges for basic urban infrastructure virtually doubled in Canada between 1995 and 2007, a period of stronger housing markets.

"It is truly amazing how ingenious governments can be in transferring costs to new-home buyers as well as existing home buyers wishing to renovate. Every device imaginable is used, from hijacking building codes, to manipulating planning and approvals processes," said Laberge.

"Whether such costs are imposed directly or indirectly, it is a financial shell game. Governments simply move public expenses off the books by shifting them onto new-home buyers," he said.

Laberge said he finds it outrageous to force new-home buyers to pay for social policies that should be paid by society as a whole. "This misguided practice allows governments, particularly at the municipal level, to avoid dealing with the true cost of running our communities and the financial discipline required to meet these costs in a prudent manner," he said.

Laberge wants municipalities to make better use of debt financing when investing in community services, including basic infrastructure. "The prudent use of public debt shifts the burden of those costs across the whole community and across future generations that will benefit from it," he said.

The federal government recently announced the creation of a Red Tape Reduction Commission. That's a good thing. Effective regulatory reform requires all levels of government to work together. It's time to lose the mind-numbing bureaucrospeak, and get down to some meaningful plain talking.

Locally, I have agreed to serve on Surrey Mayor Dianne Watts' new Red Tape Committee. Given the enormous economic impact a healthy residential construction industry has on a community, instead of enshrouding progress in red tape, municipalities should be rolling out more red carpet.

REMINDER: The 17th annual free First-time Home Buyers Seminar, produced by the Greater Vancouver Home Builders' Association and presented by the Homeowner Protection Office, Branch of B.C. Housing, will be held March 22 in Surrey. Register online at www.gvhba.org or call 778-565-4288.

Peter Simpson is the president and chief executive officer of the Greater Vancouver Home Builders' Association. Email peter@gvhba.org

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Item 5.6 (i)

Metro Vancouver turns to social media to boost region's recycling rate

BY KELLY SINOSKI, VANCOUVER SUN MARCH 10, 2011 10:06 AM



Port Coquitlam Mayor Greg Moore is the chairman of Metro Vancouver's waste management committee. **Photograph by:** Les Bazso, PNG

Metro Vancouver plans to launch an aggressive campaign using social media and a smartphone app to boost recycling rates across the region.

The communications strategy was announced Wednesday, ahead of the regional district's first Zero Waste conference, being held today. The conference and the communications strategy are aimed at helping Metro Vancouver reach its goal of increasing recycling rates from 55 per cent today to 70 per cent by 2015.

Metro spokesman David Hocking said the communications strategy is focused on "trying to change the behaviour of more than a couple million people" by offering convenient options and information on how they recycle, whether in a single-family home or a condo tower.

Metro is already using Facebook, YouTube, Twitter, Vimeo and blogs, and this year plans to unveil a regional database for smartphones to make it easier for residents to pinpoint locations where they can recycle certain materials.

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It also plans campaigns on foodscrap recycling during Earth Day, Environment Week and Halloween.

"Basically what we're getting is an accumulated effect of that kind of awareness," Hocking said.

Meanwhile, Metro is hoping the Zero Waste conference, featuring Robert Lange of the New York City Department of Sanitation as a keynote speaker, will drum up more interest in reducing, reusing and recycling.

The event sold out in one week, with more than 400 people from all levels of government, business, the private sector and academia signed up and more than 100 people on a waiting list.

To accommodate the demand, Metro will be running a livestream presentation and discussion board at www. metrovancouver.org/ZeroWasteLive. "It's my social networking, that's it," joked Port Coquitlam Mayor Greg Moore, chairman of Metro's waste management committee.

Lange told the Metro waste management committee that although New York has been recycling for 20 years, spends about \$6 million a year on public education, and strictly enforces its rules, it still faces challenges in getting people to comply.

About 65 per cent of the housing stock in New York is multi-family -an issue Metro is trying to grapple with here as it broadens its recycling strategy.

Lange said New York also educates people through websites, newsletters and messages on radio, TV and subway cars, but is just starting to move to social media.

Multimedia in New York City "is very expensive," he said. "It's like trying to yell out a message in a crowded room where everyone else is yelling."

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Item 5.6 ii



The cost of garbage: Illegal dumping increases In 2010, Surrey spent \$830,000 on cleanup linked to higher fees and landfill restrictions

BY LARRY PYNN, VANCOUVER SUN MARCH 10, 2011



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The cost of garbage: Illegal dumping increases

Waste management officials in the Vancouver area have noticed an increase in illegally dumped mattresses since the cost of disposing them was in **Photograph by:** Glenn Baglo, Vancouver Sun Files, Vancouver Sun

The good news is that Metro Vancouver has recycled 10,000 mattresses and boxsprings in a two-month period.

The bad news is that more people are illegally tossing these same bulky items down quiet country roads rather than paying a landfill disposal fee of \$20 apiece that took effective Jan. 1, 2011.

Surrey crews are picking up discarded mattresses at a rate of about 100 per month. The city spent \$830,000 on cleaning up illegally dumped garbage in 2010, up from \$683,000 in 2009.

The rising cost for cleaning up illegal material is consistent with ongoing hikes in disposal fees and regional restrictions on products accepted for landfills.

Vincent Lalonde, the city's general manager of engineering, said Wednesday he'd like to see the region charge a fee at the point of purchase covering the cost of recycling mattresses.

"We've seen an increase in dumping of mattresses," he confirmed. "We're going to work with Metro Vancouver to try to find a better solution. The problem is that the fee is linked to the disposal, which could encourage illegal disposal."

Dumping is widespread throughout Surrey, he said. "Many of the instances occur in newly developed areas where building and or occupation is not complete."

Suzanne Bycraft, manager of fleet and environmental programs for Richmond, agreed: "Mattresses are becoming more of an issue. It's costing residents more to take those to landfills."

Illegal dumping cost Richmond taxpayers \$78,000 in 2010, up from \$66,000 in 2009 and \$62,000 in 2008.

The regional cost for garbage disposal is set at \$97 per tonne in 2011, up from \$82 in 2010, \$71 in 2009, and \$68 in 2008, Bycraft noted. "It tends to have an impact. Initially, people aren't keen on paying the fee."

Bycraft has also observed an increase in dumping of electronics with expansion of a product stewardship program for electronics since 2007, requiring residents to drop off such products at special recycling depots.

Either violators can't be bothered finding a depot or don't realize there is no charge to drop them off -the cost of the program funded by a special fee at the time of purchase, she said.

Dave Halliday, manager of engineering operations for Delta, also said more mattresses are being dumped illegally. "Definitely. A comment noted by the crews is that since that recycling fee went into effect there's been a lot more."

In the past, mattress disposal fees were based on weight.

Delta has an annual budget of \$230,000 for major garbage pickup, including larger and heavier items such as furniture and construction waste such as drywall, Halliday said.

The municipality is also home to the City of Vancouver landfill at Burns Bog.

"It's always happened," said Halliday, emphasizing the importance of cleaning up such garbage as quickly as possible. "If it sits there, it just attracts more, like a magnet."

Port Coquitlam Mayor Greg Moore, chair of Metro Vancouver's waste management committee, said it's important to note that 10,000 mattresses and boxsprings have been recycled in the first two months of 2011.

The vast majority of citizens are willing to pay the increased fees, Moore said. "People want to do the right thing."

Mani Deo, manager of transfer and landfill operations for Vancouver, said 95 per cent of a mattress can be recycled, including metal, wood, and soft material such as foam, fabric and felt. For more information, go to www. metrovancouver.org, click on services, then solid waste and recycling.

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SCIENTIFIC AMERICAN

Item 5.6 iii	

Permanent Address: http://www.scientificamerican.com/article.cfm?id=recycling-old-mattresses

How Old Mattresses Can Be Recycled

What to do if your mattress company does not take your old mattress with them when you buy a new one | Monday, July 27, 2009 | 5 comments

Dear EarthTalk: How can I recycle my old mattress if the place I buy a new one from doesn't take it? Wh mattress companies do with old mattresses when they do take them? Do they recycle any of the material -- J. Belli, Bridgeport, CT

A typical mattress is a 23 cubic foot assembly of steel, wood, cotton and polyurethane foam. Given this wide range of mattresses have typically been difficult to recycle—and still most municipal recycling facilities won't offer to do it for you with increasing public concerns about the environment—and a greater desire to recycle everything we can—has come a l private companies and nonprofit groups that want to make sure your old bed doesn't end up in a landfill.

The Lane County, Oregon chapter of the charity St. Vincent de Paul Society, for example, has spearheaded one of the nat successful mattress recycling initiatives via its DR3 ("Divert, Reduce, Reuse, Recycle") program. "Keeping [mattresses] can matter of efficiently recycling them so their core materials can be reincarnated into any number of new products," reporting opened a large mattress recycling center in Oakland, California in 2001. (Why hundreds of miles away in Oakland the mattresses are," says Chance Fitzpatrick of the group.) The facility has been processing upwards of 300 mattresses are per week ever since.

During the recycling process, each mattress or box spring is pushed onto a conveyor belt, where specially designed saws materials on the top and bottom, separating the polyurethane foam and cotton fiber from the framework. The metal piec magnetically removed, and the remaining fiber materials are then shredded and baled. The whole process takes one wor to four minutes per mattress.

On a slow day, the DR3 facility recycles some 1,500 pounds of polyurethane foam, which totals a half million or more pc course of a year. "A well-oiled recycling factory can reuse 90 percent of the mattress," reports Josh Peterson of Discover Green website. "The cotton and cloth get turned into clothes. The springs and the foam get recycled, and the wood gets t chips."

While the DR3 facility only takes mattresses from a small group of waste haulers and individuals around the San Francis other mattress recyclers are popping up around the U.S. and beyond. Some examples include Nine Lives Mattress Recycles Pamplico, South Carolina; Conigliaro Industries in Framingham, Massachusetts; MattCanada in Montreal, Québec; and Moorabbin, Australia. To find a mattress recycler near you, consult the free online database at Earth911.org.

Those who aren't near a recycling facility might consider giving their old mattress away. But many health departments p donating mattresses to charities like the Salvation Army or Goodwill. So what's an upgraded sleeper with a perfectly goo to do? The web-based Freecycle Network allows people to post stuff to give away to anyone willing to come pick it up; lil

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are your local version of Craigslist also has a "free" section where you can post that it as available.

CONTACTS: DR3 Mattress Recycling, www.svdp.us/dr3-mattress-recycling.php5; Nine Lives Mattress Recycling, www.geocities.com/ninelives29577; Conigliaro Industries, www.conigliaro.com; MattCanada, www.mattcanada.com; Dr www.dreamsafe.com.au; Freecycle Network, www.freecycle.org.

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Item 5.6 iv

'Yuck factor' scraps N.Y. composting

Official tells of difficulties in implementing plan to keep organics out of trash

BY KELLY SINOSKI, VANCOUVER SUN MARCH 11, 2011



Port Coquitlam Mayor Greg Moore says Metro can learn from New York.

Photograph by: Les Bazso, PNG Files, Vancouver Sun

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As Metro Vancouver forges ahead with its plan to compost kitchen scraps, New York City has been unsuccessful in starting a similar program because of its tight footprint, dense neighbourhoods and a perceived "yuck factor."

Robert Lange, director of New York's bureau for waste reduction, told 400 people at Metro's Zero Waste Challenge conference Thursday that a fiveyear experiment in food-scraps pickup was unsuccessful.

This was mainly because of the high cost of collection, finding a place to stockpile the scraps and the amount of driving needed to tip the loads.

Residents were also concerned about vermin, odour, contamination of other recyclables and the "yuck factor" of dealing with scraps, Lange said.

"I do not want to discourage you. I do want you to be fully cognizant of the challenges ahead," Lange said.

Metro Vancouver has set an aggressive goal of increasing recycling rates to 70 per cent by 2015, up from 55 per cent now. A big push of the campaign is to keep organics -or kitchen scraps -out of the waste stream. Metro plans to ban all organics, which account for about 40 per cent of the region's garbage, from the trash in every municipality by 2015.

But while Lange lauded Metro's efforts, he warned it may seem easier than it is to get full compliance. The only kitchen scraps composting in New York is at the prison on Rikers Island, where the compost is used for horticulture and landscaping.

New York City, which has the same overall recycling diversion target as Metro of 70 per cent, is only seeing a capture rate of 50 per cent, he said, despite having had recycling programs in place for 20 years, spending \$6 million a year on education, and having armed enforcement officers.

Lange noted it's difficult to get buyin from the 65 per cent of multi-family residences in the city, mainly because they have no place to store recyclables, let alone compost, and can dump the trash anonymously down garbage chutes with little chance of being caught. "Though we have made tremendous strides, we've reached a plateau in the participation of our residents," he said. "There is a desire but the convenience is compromised.

"Convenience is the overriding factor. Recycling is not easy for a lot of people, especially those living in multi-family residences."

He said while recycling is a bit of extra work for people in single-family homes, in multi-family dwellings, everybody has to cooperate.

Coquitlam Mayor Greg Moore said Metro can learn from New York's experiences, but said it also has the benefit of successful food scraps programs -not only in his city but in other areas across North America.

Toronto, Seattle, Portland and San Francisco are all composting kitchen waste.

"We've had some good success on the multi-family side of recycling," Moore said. "If we provide a good convenient service, residents in the region want to divert their kitchen scraps."

Richmond Coun. Harold Steves said perhaps it's not best to compare Metro with New York City. The U.S. city has eight million people, an annual solid waste budget of \$1.3 billion and a tight footprint so it has to truck not only food scraps but other recyclables and garbage outside the city.

New York City also collects 11,000 tonnes of materials every day.

Its trash is exported as far as Ohio, Virginia and Pennsylvania.

Lange said the city had intended to build incinerators in the 1980s but that decision was canned. However, he said it may reconsider burning garbage if it doesn't see an increase in recycling from residents, as well as from industry and commercial sources. "You have to constantly remind people because for some people that doesn't come naturally," he said. "It's changing generations."

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Item 5.6 v

PoCo kitchen scraps plan keeps costs down Garbage rates plateau



BY KELLY SINOSKI, VANCOUVER SUN FEBRUARY 28, 2011



Port Coquitlam Mayor Greg Moore demonstrates how the green food scraps program works at his Port Coquitlam home on Friday, February 18, 2011.

Photograph by: Les Bazso, PNG

Port Coquitlam will hold the line on garbage rates again this year after residents dramatically reduced the amount of trash they sent to the dump, saving the city \$165,000.

The city has kept rates at 2009 levels thanks in part to its kitchen scraps program, coupled with bi-weekly garbage pickup, which began in January last year.

The two measures have helped the city reduce its garbage loads by 26 per cent in the past year. About half of the savings in 2010 came from reduced labour, equipment and fuel costs, while \$82,000 was a result of the averted landfill disposal fees.

Mayor Greg Moore credited residents for "working together to save money and at the same time provide a positive environmental impact."

Port Coquitlam was the first Metro Vancouver municipality to offer curbside pickup of food scraps and food-soiled papers — a move that is now being adopted by other

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municipalities.

Metro Vancouver expects to ban all organics from the trash by the end of 2012 as more cities get on board with the program.

The aim is to reduce the amount of the region's garbage heading to the dump by 70 per cent by 2015 and 80 per cent by 2020. That means everything from apple cores to chicken bones, bread crusts, eggshells, coffee grounds, tea bags, paper towels and pizza boxes must be in the green bin instead of the garbage can.

To get there, Metro Vancouver must compost 265,000 tonnes of organics each year.

Metro residents dump about 3.4 million tonnes of garbage annually.

In Port Coquitlam, residents are now diverting 62 per cent of their household waste into recycling and green carts — up from 50 per cent in 2009. The new alternating week pickup schedule has also saved 9,600 litres of diesel fuel, which would have produced about 98 metric tonnes of greenhouse gases.

Coun. Sherry Carroll, who chairs the city's environmental enhancement committee, said if the materials weren't being diverted, the city would have to pay to get rid of them.

"I'm seeing the results in my own neighbourhood. I'm seeing fewer black garbage bins on the street because everything is going into the blue and green bins."

Burnaby, Coquitlam, New Westminster, Port Moody, Richmond and Vancouver have all followed Port Coquitlam's lead, with other municipalities involved in pilot projects.

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Item 5.6 vi



Metro directors are looking for a scrap with food-waste bins

BY BRIAN PLATTS, VANCOUVER SUN MARCH 12, 2011

Re: 'Yuck factor' scraps N.Y. composting, March 11

Once again, residents of Metro Vancouver have received a decree from above.

Our unaccountable Metro rulers have decided that come 2012 all homeowners in the region will be forced to separate food waste from the garbage stream.

Heavy fines will be levied upon any violator with the temerity to throw so much as an apple core into the trash. It is all for the greater good, of course, where perceived "environmental sustainability" trumps democracy.

I live in North Vancouver where the food waste collection program will be imposed this spring.

The public has not had any vote on the matter, nor has there been any real consultation.

Homeowners are the easy target for the Metro rulers.

Those living in multi-family dwellings will be exempt because it is not practical to set up large separate food waste collection bins.

Grocery stores and restaurants will also be exempt.

In Metro Vancouver, some are more equal than others.

Recently, Port Coquitlam Mayor Greg Moore, chairman of Metro's waste management committee, raved about the food waste collection program in his municipality.

Apparently his family's rotting food leftovers do not smell as they stew together for up to two weeks. My experience is a little different, however.

My sister's family lives in Port Moody where there already is a separate food waste collection program.

The last time I visited, there was a noticeable foul odour wafting from the carport.

The source was the food waste bin. I'm certain bears could smell it from a mile away.

Rather than subject my family to this stinky and unsanitary program, all food waste in my household that can be flushed down the toilet, will be flushed.

Take that, Metro.

Brian Platts

North Vancouver

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Punching out Styrofoam

Recyclers' red bag program hopes to reduce N. Shore waste stream

BY TESSA HOLLOWAY, NORTH SHORE NEWS MARCH 11, 2011



George Jasper and Nick Kiss of WCS Recycling offer an alternative to the landfill for recyclables not presently included in the curbside blue box collection program.

Photograph by: Mike Wakefield, NEWS photo

Blue bags and yellow bags are common recycling fare, but what about red bags?

A North Vancouver company is looking to provide residents with another option for recycling goods, such as Styrofoam, some plastics and gable-top milk, soy and soup containers, which don't fit in the curbside pick-up options.

Their alternative is a red bag slightly larger than the average garbage bag, which can be filled with those goods and then brought to the company's North Vancouver warehouse.

The fee is \$6, payable when the bag is picked up by the customer.

"It's really had a good response, especially from the citizens of the North Shore," said George Jasper, operating manager at WCS Recycling, which runs the service. "Our goal is to have on average 100 people here on Saturday, and at this point after two months

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Punching out Styrofoam

we're already up to 30 people on average."

The program launched on Boxing Day with a fundraiser for the Harvest Food Project, which aside from diverting a whole lot of waste from the landfill also raised \$550 for the organization.

Since then, they've opened their doors to the public every Saturday from 9 a.m. to 1 p.m., while during the week they continue with the commercial recycling business they have operated for 10 years.

Jasper said they are looking to recycle all the products locally, and while they have found buyers for the higher-grade Styrofoam and plastics, some of the products have been difficult.

"We want as much as possible to see that these materials are re-used and recycled locally and not sent overseas," he said, which is where most blue-box recyclables end up.

Jasper is challenging North Shore residents to voluntarily cut their garbage pick-up from once a week to once every two weeks.

"I would say what we'd like to achieve would be . . . to offer the North Shore residents an opportunity to increase their recycling rate and to reduce the amount of garbage they're throwing out," he said.

WCS Recycling is located at 1493 Dominion St. in North Vancouver, or online at www.wcsrecycling.com.

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Item 5.6 viii



Firm wants to turn Calgary garbage into energy

BY RICHARD CUTHBERTSON, CALGARY HERALD FEBRUARY 25, 2011

It's being greeted with skepticism, but the city will investigate the idea of diverting every piece of garbage produced in Calgary away from landfills, and instead turn the waste into energy and other products.

That was just one of the options pitched Tuesday at a city committee, with administration advocating a far more conservative approach to dealing with Calgary's waste problem, including collecting organics for compost and recycling at multi-family dwellings.

Developing strategies for organic composting and multi-family recycling were recommendations carried by the committee Tuesday and could be implemented by 2015, as the city tries to reach its target of diverting 80 per cent of residential waste by 2020.

Right now, the effort sits at just 39 per cent.

But what really drew some discussion Tuesday was a pitch by a company called Terramin Inc., which wants to build a \$700 million "clean energy park." It proposes taking all of Calgary's trash and using it to produce electricity and "value added" products, such as plastics.

The company director says it has secured money from investors to do just that, but there is still no formal business plan, and some on council believe the proposal is very thin and of huge potential risk to the city.

Others argue Calgary must forge ahead with more tried and true methods to reduce the garbage heading to city dumps.

"Just because we have new technology today doesn't mean we can use it today," Ald. Gael MacLeod said.

Terramin says it can build the plant with no financial help from the city. But to make it work financially, the plant would need all of Calgary's waste.

The risk, said Rob Pritchard, the city's general manager of utilities and environmental protection, is what happens if "it dries up or for whatever reason doesn't work, we've still got to get rid of the garbage."

Even with the skepticism of some on council, the committee recommended administration do a "risk analysis" and response to some of "alternate concepts" they heard on Tuesday.

The director of Terramin said the project is viable.

David Koop believes money will be made from the power and products produced, and the only risk if things go wrong is the city has wasted a few years on the concept.

"We can build a facility which will send zero to landfill by 2016," he said. Project backers, he said, are largely European investment funds with an interest in green energy production.

Koop said aspects of what Terramin wants to do are already used in Europe and partners of the company are building a facility in the United Kingdom like the one being proposed in Calgary.

The idea comes as the city grapples with what to do with organic waste, something that makes up 57 per cent of residential trash that heads to city dumps.

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The stuff is not benign, and produces a high level of methane, pushing up greenhouse gases.

The issue is that if an emitter produces more than 100,000 tonnes, Alberta Environment imposes financial penalties on the polluter.

In Calgary's case, landfills have approached that ceiling, and only stay below with a series gas capture projects.

"There's a cost to the environment by filling those landfills and there's a risk to the environment by leaving it in that landfill mix," said Dave Griffiths, the city manager of waste and recycling.

"Organics is right at the key end of that."

The city will experiment with a pilot project first, if they get approval from council this fall. The city would return to council in 2013, with recommendations for an "organics diversion program" that would start two years later.

That could take a couple different forms. Collecting just yard waste in bags would mean building a composting facility of between \$20 million and \$25 million.

Net operating costs, including collection, processing and sale of compost, would be between \$8 million and \$12.5 million a year. The program would evolve to eventually accept food scraps, and would likely then need carts.

Forging ahead with both programs at the beginning would divert more from the landfill, but the costs are higher.

Building that composting site would cost between \$40 million and \$50 million. Net operating costs would be between \$15 and \$19 million a year.

The multi-family recycling strategy will consider "partnerships with the private sector."

At the moment, recycling at condominiums and apartment buildings is optional. If they want recycling, they contract with private companies.

The city said it is difficult to know how much recycling is being done out of those units, but it estimates roughly 18,000 tonnes of recyclable waste from multi-family residences is disposed in landfills.

It also notes that just 20 to 50 per cent of multi-family dwellings have some variation of recycling.

Not everyone wants to see a change.

One private recycler said the status quo is just fine, giving residents a choice. And making recycling mandatory may not be the way to go, says Randall Bobyk, with Condo Recycling Solutions, noting some businesses were pushed out when the city brought in curbside recycling.

"Business might be a little bit scared of that because what has happened in the past is the contracts were awarded to city departments anyway, which are massive and huge budgets," Bobyk said.

"They were able to just basically make the budget work."

The recommendations regarding compost and multi-family dwelling recycling still have to be approved by council.

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Item 5.7 i



Perennial question of how to pay for expanded, equitable transit a top worry

Metro mayors differ on financing options such as tolls, congestion charges, vehicle levies

BY KELLY SINOSKI, VANCOUVER SUN MARCH 5, 2011

As Metro Vancouver mayors once again grapple with ways to pay for transportation projects, the wide transit disparities across the region are threatening to stand in the way of a consensus.

Talks have just begun, but mayors are already divided on potential options to fund projects such as the Evergreen Line and extra buses, ranging from road tolls to gas taxes, congestion charges and vehicle levies.

"There's more appetite in Vancouver to look at gas taxes and bridge tolls," said North Vancouver District Mayor Richard Walton, chairman of the mayors' council on regional transportation. "But up the valley, they feel they're terribly underserved [for transit] and distance-related levies or taxes are not palatable.

"We have to see what the possibilities are on the various sources; it's not an easy task. There's going to have to be a lot of concessions made between people."

The mayors agree on one thing, though: They don't want to raise property taxes for transit expansion.

None of this is new. Ten years after TransLink was formed to bring more stability to the region, mayors are still struggling over how best to raise the money for transit. In the late 1990s, there was a huge public outcry against a \$75-a-year levy on automobiles. In 2006, TransLink imposed a parking-area tax to raise more revenue.

"The various types of funding aren't any different from what we've been talking about over the last decade," Walton said. "Who, ultimately, wants to pay any more taxes to anyone? No one."

TransLink's financial woes are coming to a head this year as the transportation authority's reserve funds dry up and it must find an additional \$150 million a year just to maintain basic services. The financial situation has led Delta to consider leaving TransLink altogether. "Our community doesn't feel they're getting their fair share for the \$12 million in taxes every year that goes to TransLink," Mayor Lois Jackson said.

The statistics tell their own story: On the north side of the river, residents get two-and-a-half hours of transit service per person. On the south, it's half an hour, she said.

Langley Township Mayor Rick Green agrees. He, along with representatives of Delta and Surrey, is pushing for the province to use the old interurban line to connect those communities south of the Fraser, noting the infrastructure would cost around \$500 million compared with \$2.5 billion for a SkyTrain.

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"Until Langley sees improvement to transit services, we're going to be hard-pressed to support much," Green said, adding 10,000 employees travel to Gloucester Industrial Park each day, yet there are no buses to take them. "If we're going to talk about a mileage issue, absolutely not. Out our way, it's not a matter of needing a vehicle; most families have two, three, four vehicles because there are no other options. Why should we be penalized?"

Transportation minister Shirley Bond, who last year agreed to give TransLink and the mayors' council an extension until the end of this month to come up with its \$400-million share of the Evergreen Line, said in a statement Friday, "Government is in a period of transition and as soon as we have a new executive council this will undoubtedly be a priority issue....

"We have asked the mayors for their ideas and we look forward to receiving those. We hope the mayors will meet their commitment to provide funding for the Evergreen Line."

Walton said the mayors' council is moving forward. He plans to meet with both mayors and councillors to identify the regional differences and perceptions.

A long-term transit plan should be ready by April. "It's going to be more of a basket of options than coming up with one funding source," Walton said. "Every time we have an expansion to the transit system we don't want to have to go through a cathartic experience."

TransLink spokesman Ken Hardie, whose staff has been researching various funding options used across North America, noted the disparities show that "depending on where you are, you will look at the world differently."

Langley City Mayor Peter Fassbender said there is some consensus: Many mayors support using revenue from the carbon tax for transit because it's seen as more equitable across the province. However, for this plan to happen, the province would have to approve it.

Unlike Green, Fassbender isn't convinced it's such a bad idea if the Lions Gate and Ironworkers' Memorial bridges are tolled. "We need to look at all these things," he said. "We're looking also at trying to change behaviours."

But he adds: "The challenge for us south of the Fraser is we probably pay a higher share, per capita, of that because we don't have the transportation options, yet the vehicle levy penalizes us. Somebody living in an apartment in downtown Vancouver with a bus outside their door ... [who doesn't] need a car, they don't care about a vehicle levy."

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TransLink's long-term debt to hit \$2.38 billion

Agency raises hundreds of millions by issuing 10-year bonds

http://www.vancouversun.com/business/TransLink+long+term+debt+billion/4308640/story.html

By James Kwantes, Vancouver Sun; With Files From Doug WardFebruary 18, 2011



Buses sit stuck in the snow on Gaglardi Way on their way up the hill to Simon Fraser University in Burnaby on Thursday.

Photograph by: Wayne Leidenfrost, PNG, Vancouver Sun; With Files From Doug Ward

There's a price to pay for the new infrastructure that supports Metro Vancouver's growing population -a rising TransLink debt load. The public transportation agency's latest business plan calls for increasing long-term debt by more than \$200 million this year. This means it will have increased by more than \$1.1 billion -a near doubling -in the space of five years. Longterm debt is projected to hit \$2.38 billion this year, up from \$1.22 billion in 2006.

TransLink recently raised \$300 million by issuing 10-year bonds with an annual yield of 3.8 per cent, a move it says is necessary to increase flexibility in managing finances and cash flow. Further \$200-million bond issues are planned both for this year and next.

TransLink chief financial officer Cathy McLay said she's confident the agency can meet its debt service and interest payments. TransLink regularly reviews and adjusts its 10-year plan, and the growing debt has been accompanied by an increase in assets -including the Canada Line, expanded bus network and Golden Ears Bridge -to \$5.4 billion.

"Our debt actually increases over the next two years, and then it starts to decline as we start paying off some of these assets," said McLay.

While TransLink's top financial managers are confident the agency can meet its bond obligations, in a worst-case scenario it would cut service levels to match revenue streams with debt servicing costs, said McLay, who is also vice-president, finance and corporate service for TransLink.

The agency's governing legislation also allows it to unilaterally hike property taxes or increase transit fares -bypassing the mayors' council -if a financial crisis hits.

"If all the wheels fell off the wagon, we could go and apply property taxes," McLay said.

That would be done in consultation with other levels of government, and would only occur in a "calamitous" situation, said TransLink spokesman Ken Hardie.

Provincial Finance Minister Colin Hansen, said in an email that the provincial government should not be expected to bail TransLink out of future financial emergencies.

"TransLink is independent and totally responsible for its own debt and should have no expectation that there is a provincial backstop. TransLink is accountable to its board of directors, which is ultimately responsible for its decisions and financial affairs."

In the U.S., the risks of municipal bond defaults in several large cities have increased dramatically as property tax revenues dry up in the midst of the real estate collapse and foreclosure fiasco.

But while U.S. cities are heavily reliant on property taxes, TransLink's revenues are much more diversified, McLay noted. Roughly 38 per cent of revenues come from transit fares, about 28 per cent are from property taxes and fuel taxes make up about 22 per cent.

Moody's rated TransLink bonds as "high-investment grade" -two notches below the AAA rating given B.C. government bonds, according to Moody's Canada analyst Jennifer Wong. The 3.8-per-cent yield on TransLink's 10-year bonds is 23 basis points higher than bonds issued by Victoria.

That means TransLink is paying slightly higher interest costs than it did when it raised money through the Municipal Financing Authority, although the difference is recovered through administrative savings and efficiencies, said Trans-Link treasury manager Derek Bacchioni.

"If we were in financial crisis, the rating agencies wouldn't give us a double-A rating," he said. "And the investors wouldn't have bought the bonds."

The bond issue was oversubscribed with about 32 per cent of bond buyers being B.C.-based, including Vancouver investment firms Phillips, Hager & North, Central 1 Credit Union and Connor, Clark & Lunn.

The finance minister said he wouldn't speculate about what the government might do in the event of a bond default, adding that TransLink has "access to diverse revenue sources and the flexibility to manage expenses."

Hansen added that Moody's report confirms that TransLink is in "good financial shape."

The bond issue and rising debt levels do not concern North Vancouver District Mayor Richard Walton, chairman of the mayors' council, who said he is "comfortable" with Trans-Link's business plan.

"I think TransLink is being extremely well-run," he said. "It's an extremely capable board of directors that is in place now."

However, he is "very concerned" about future property tax hikes to pay for expansion of the transit system. "We have huge infrastructure issues coming down the pike related to liquid and solid waste and the sewage treatment plant."

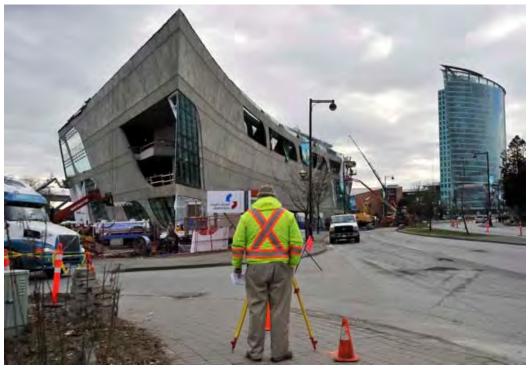
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Item 5.8



Tax breaks offered for urban renewal

BY KELLY SINOSKI, VANCOUVER SUN MARCH 7, 2011



Construction continues on the new civic centre near the Central City Office Tower in the Whalley area of Surrey, B.C. in February 2011.

Photograph by: Ian Smith, PNG

More Metro Vancouver municipalities are following Surrey's lead in offering tax incentives to help revitalize their cities.

Coquitlam and Maple Ridge are the latest municipalities to draw up tax-exemption programs similar to those being used to attract investors in Surrey City Centre and Langley City's downtown core.

In Coquitlam, the focus is on the historic French-Canadian community of Maillardville, where Mayor Richard Stewart envisages a "pedestrianfriendly quaint retail village" that would be a French-Canadian version of Commercial Drive or Steveston.

The city has directed staff to develop a bylaw for a revitalization tax-exemption program for the area, which may be expanded to other parts of the city later on, said Stewart.

The program would be similar to Langley City's tax incentive programs as well as Surrey's 2009 stimulus plan, which created tax-free economic zones in its City Centre and Bridgeview neighbourhoods, but with "different targets," Stewart said.

Surrey's plan, which came into effect during the recession, promised investors they wouldn't have to pay property taxes for three years and cut development-cost charges by 33 per cent.

In Langley City, improvements must exceed an assessed value of \$100,000, and the tax exemption does not encompass normal, incremental increased property values.

Stewart said the details are still being ironed out as to whether businesses would be tax-exempt or see the costs reduced for specific types of industries or for specific areas.

Meanwhile, Maple Ridge Mayor Ernie Daykin said his city is offering incentives to help green and densify the Town Centre to include buildings higher than four stories.

The Maple Ridge incentives include a cut in development cost fees and permits, and the potential for developers to not pay the municipal portion of their property taxes for up to six years.

The rub? Any new projects or renovations must be green.

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2011 BCSC 270 Mackay v. British Columbia

Item 6.1 (a)(i)



IN THE SUPREME COURT OF BRITISH COLUMBIA

Citation: Mackay v. British Columbia,

2011 BCSC 270

Date: 20110215 Docket: 10-1265 Registry: Victoria

IN THE MATTER OF THE COMMERCIAL ARBITRATION ACT, R.S.B.C. 1996, c. 55

- and -

IN THE MATTER OF AN ARBITRATION RELATING TO WENDI JANE MACKAY

Between:

Wendi Jane Mackay

Petitioner

And:

Her Majesty The Queen in the Right of the Province of British Columbia

Respondent

Before: The Honourable Madam Justice Fitzpatrick

Oral Reasons for Judgment

Counsel for the Petitioner:

B. Wallace, Q.C.

Counsel for the Respondent:

J. Eades

Place and Date of Hearing: Victoria, B.C.

February 14, 2011

Place and Date of Judgment: Victoria, B.C.

February 15, 2011

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- [1] **THE COURT:** In this proceeding, the petitioner, Wendi Mackay, seeks leave to appeal an arbitration award dated January 13, 2010, pursuant to s. 31 of the *Commercial Arbitration Act*, R.S.B.C. 1996, c. 55.
- [2] The issues that have been raised relate to certain actions taken by the Archaeology Branch of the Ministry of Tourism, Sports and the Arts under the *Heritage Conservation Act*, R.S.B.C. 1996, c. 187, in relation to certain property owned by Ms. Mackay in Victoria, British Columbia. The Branch administers the scheme governed by that Act which has, as its purpose, the encouragement and facilitation of heritage properties in British Columbia.
- [3] I will turn first to the background. The facts are largely not in controversy. Ms. Mackay and her late husband purchased the property at 2072 Esplanade Avenue, Victoria, B.C., in 2006, with the intention of constructing a single family home there for their principal residence.
- [4] Unbeknownst to Ms. Mackay and her husband, the property had been earlier identified as having some archaeological significance as early as 1971, when many artifacts were removed by a Mr. Kenny, who later became the manager of the permitting and assessment section of the Branch. Later archaeological work was done on the site in 1985, when the original house was built on the site. Neither Ms. Mackay nor her husband were aware of any heritage value associated with the site before purchasing it. Nothing was registered on title to indicate that fact, nor that it was a "heritage site" as defined by the Act.
- [5] The difficulties arose when Ms. Mackay began preparatory work to construct their new house. Their architect made inquiries of the Branch, and quickly discovered that the provisions of the Act were hurdles to overcome in that endeavour. The legislative scheme under the Act is sufficiently complex. I do not propose to set out the provisions in detail, but will summarize the various matters addressed under the Act below as they relate to this matter:
 - (a) A site is a "heritage site" if it has "heritage value". "Heritage objects" are personal property having heritage value. Both may be designated as such or not (s. 1).
 - (b) The Lieutenant Governor may designate land as a heritage site under s. 9, and if that causes a reduction in the market value of the property, the government must compensate the owner (s. 11). Further, it is in this event only that the Minister is required to file a notice in the Land Title Office (s. 32).
 - (c) There is a Provincial heritage register which includes designated heritage sites under s. 9, and also other heritage sites which are, in the opinion of the Minister, protected under s. 13 (s. 3).
 - (d) No one may damage, excavate, dig in or alter any heritage object from a site that has historical or archaeological value (s. 13), unless that person has a permit under s. 12 or 14. It is clear that this applies to both designated and undesignated heritage sites.
 - (e) Site alteration permits are issued under s. 12. These permits may be issued by the Minister or his authorized representative. This permit may include requirements, specifications, and conditions as the Minister considers appropriate.
 - (f) Heritage inspection and heritage investigation permits are issued under s. 14 to professional archaeologists. Both heritage inspection and heritage investigation are defined in s. 1, but essentially

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respectively provide for examination and research to identify heritage value, and also to provide for a study of the property. These permits are expressly for "archaeological research or searching for artifacts" and are ordered by the Minister or his delegate under s. 14(4). If such a permit is ordered, and in certain circumstances, such as there is to be a change in the use or development of the land, the Minister, but not an authorized representative, may require the person who is developing the land to pay for such inspection or investigation under s. 14(7).

- [6] After the inquiries were made by Ms. Mackay's architect, Ms. Mackay learned that the site was an undesignated heritage site, and thus protected under s. 13. In these circumstances, a site alteration permit under s. 12 was required before any excavation work could begin. What happened in this case is that the Branch required, as a condition of the issuance of a site alteration permit, that Ms. Mackay retain an archaeologist to obtain s. 14(2) heritage inspection and heritage investigation permits, so that they could undertake extensive work on the property in accordance with the Act, before any redevelopment of the property could proceed. This work was required to be done at the cost of Ms. Mackay.
- [7] What ensued were the various efforts of Ms. Mackay and her professional advisors to obtain the necessary permits and complete the work. It appears that throughout the matter, Ms. Mackay questioned the authority of the Branch to impose what were s. 14 permit requirements in the context of granting a s. 12 permit to her. The end result from Ms. Mackay's point of view was that, as a result of the requirements of the Branch, she was delayed in the construction of her house from March 2007 to January 2008. In addition, she contends that she has suffered losses in the range of \$500,000 to \$600,000, being either direct costs associated with the s. 14 permits or indirect costs associated by the delay and increased cost of construction in her attempts to avoid or minimize the impact of the Act.
- [8] Ms. Mackay brought a claim against the Branch for recovery of these amounts and losses she had suffered, contending that the Branch had wrongfully applied the permitting scheme under the Act. The essence of her claim is twofold:
 - (a) that the Branch did not have the statutory authority to require her to obtain and pay for s. 14 permits and the associated inspection and investigation work as a condition of issuing the s. 12 permit; and
 - (b) the Branch's requirements constituted a nuisance, since they interfered with her use and enjoyment of the property.
- [9] The parties ultimately decided to have the matter decided by John W. Horn, Q.C., in an arbitration proceeding. The arbitrator's award was issued on January 13, 2010, with the result that after giving extensive reasons, he dismissed the claim on the basis that Ms. Mackay had failed to prove any liability on the part of the Crown.
- [10] On the two arguments relevant to this appeal, the arbitrator held that while there was no express provision in s. 12 allowing the Branch to impose the s. 14 requirements, such could essentially be implied given the scheme of the Act: see paragraphs 101 to 106 of the award.
- [11] Further, the arbitrator held that the actions of the Branch did not constitute a nuisance and, if they did, the Branch had established a valid defence, since it acted pursuant to its statutory authority: see paragraphs 133 to 140.

Principles for Leave Application

- The requirements to establish a right to appeal under s. 31 of the *Commercial Arbitration Act* are not in dispute on this application. One must start from the proposition that leave to appeal is not to be lightly granted, principally in recognition that the parties have chosen a forum that is intended to provide an efficient, effective, and final means of resolving the dispute without intervention from the courts. In fact, s. 14 provides that an award of the arbitrator is final and binding on all parties to the award.
- [13] Firstly, there must be a question of law, as opposed to a question of fact or mixed law and fact: see *British Columbia v. Canadian Cartographics Ltd.*, [2007] B.C.J. No.1339 at para. 22, and *Specialist Physicians and Surgeons of British Columbia v. General Practitioners of British Columbia*, 2007 BCSC 423 at paragraphs 23 to 25.
- [14] Secondly, assuming that there is a question of law, the applicant must establish one of the prerequisites under s. 31(2). In this case, Ms. Mackay relies on s. 31(2)(a) and (c), namely that the result was important to her and that a determination on the point of law may prevent a miscarriage of justice and that the point of law is of general or public importance.
- [15] Thirdly, even if the prerequisites are met, the court retains a discretion whether or not to grant the appeal. In accordance with the decision in *BCIT* (*Student Association*) v. *BCIT*, 2000 BCCA 496 at paragraphs 25 to 31, the merit or apparent merit is to be considered as part of this residual discretion. The applicant is also required to establish more than an arguable point or, to put it another way, that there is "sufficient substance to warrant an appeal".
- [16] Finally, I have been directed to certain authorities by the Crown which indicate that if there is a question of law, it must be clearly perceived and delineated: see *Elk Valley Coal Partnership v. Westshore Terminals Ltd.*, 2008 BCCA 154 at paragraph 17. To similar effect is the admonition from the Court of Appeal in *Hayes Forest Services Limited. v. Weyerhaeuser Company Limited*, 2008 BCCA 31 at paragraph 45, that the appeal is not a broad inquiry and the appellant must identify the question of law concerning which the arbitrator is alleged to have erred.

Is there a Question of Law?

- [17] In the amended petition, Ms. Mackay framed two questions of law in a particular fashion, but during the argument of her counsel, there was a reframing of one of the questions regarding the nuisance issue, and the order was reversed, such that the statutory authority question followed from the nuisance question. The nuisance issue was originally framed as an error in finding that the actions of the Branch were not a nuisance, because they did not interfere with Ms. Mackay's property itself, but rather from her use and enjoyment of the property.
- [18] This reversal of the order in which the questions were to be addressed was in part necessary since it was conceded by counsel for Ms. Mackay that there was no standalone argument that the Branch was liable in tort for having allegedly exceeded its statutory authority: see *Holland v. Saskatchewan*, [2008] 2 S.C.R. 551 at paragraph 9, and *Canada (Attorney General) v. TeleZone*, [2010] S.C.J. No. 62 at paragraphs 28 to 31.
- [19] In fact, the arbitrator found that the Branch had acted honestly and in good faith, in that they were of the view that they were acting in accordance with the Act. Ms. Mackay did, however, contend that the

arbitrator erred in finding that the statutory authority allowed the Branch to defend the nuisance claim.

- [20] The two questions of law, the first as amended, were thus framed by Ms. Mackay as follows:
 - (a) Did the arbitrator err in law in failing to apply the correct test necessary to establish nuisance, as articulated in paragraph 133 of his reasons, in concluding in paragraph 137 of his reasons that the actions of the Branch could not be said to have caused physical injury to the land or interfered with Ms. Mackay's enjoyment of the property? and
 - (b) If nuisance is established, did the arbitrator err in law in finding that the Branch had the statutory authority to require Ms. Mackay, in the manner it did, to engage at her expense archaeologists to conduct a heritage inspection and a heritage investigation on her property and to obtain permits under s. 14 of the Act for those purposes, as preconditions to granting her a site alteration permit under s. 12 of the Act?
- [21] The focus of the arguments centred on the issue as to whether the above questions were questions of law, questions of fact, or questions of mixed fact and law. In that regard, counsel for the Crown relies on *Canada (Director of Investigation and Research) v. Southam Inc.*, [1997] 1 S.C.R. 748 at paragraph 35 where the Court discussed the distinction between questions of law, questions of mixed law and fact and questions of fact. In particular, the Court stated that questions of law are questions about what the correct legal test is.
- [22] I will firstly deal with the nuisance issue. It is common ground that the arbitrator correctly articulated at paragraph 133 the test for nuisance set out in *Royal Anne Hotel Co. Ltd. v. Ashcroft Village* (1979), 95 D.L.R. (3d) 756 (BCCA), in that there must be an act that directly or indirectly causes physical injury to land or substantially interferes with use or enjoyment of land.
- [23] The difficulty or potential difficulty arises in the reasons following the statement, where there is a discussion about the tort being to the land and not the person. In paragraph 137 of the reasons, the arbitrator specifically finds that:

The injury or interference complained of here can only be the actions of the Branch in requiring the Claimant to authorize and to finance an archaeological inspection and investigation upon her land. These actions [of the Branch] cannot be said to have caused physical injury to the land or interfered with its enjoyment. [emphasis added]

- [24] Further, in paragraph 139, he finds that since a s. 14 permit:
 - ... does not authorize entry onto the land ... without the permission of the owner ... it cannot be said that the activities of the archaeologists were imposed upon the land by the Branch.
- [25] Counsel for Ms. Mackay contends that it is difficult to reconcile these later findings with the articulated test in paragraph 133, and in particular he says that the arbitrator failed to apply the "indirect" aspect of the *Royal Anne Hotel* test in his application of the facts of the law. In essence, he says that after correctly stating the test, the arbitrator applied some incorrect test to the facts.
- [26] Counsel for the Crown contends that the arbitrator did not identify in his reasoning whether he considered both direct and indirect actions of the Branch as potential causes of the injury or interference, and that I must assume that he correctly applied the test since he made no distinction in his conclusions. Further, the Crown says that the findings in paragraphs 137 to 140 of the award constitute a finding of fact which

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cannot be the subject of an appeal, citing *Ryan v. Victoria* (*City*), [1999] 1 S.C.R. 201 at paragraph 53, which clearly states that:

Whether or not a particular activity constitutes a public nuisance is a question of fact.

- [27] I must confess that there is some difficulty in my mind on this issue. It is confounded further by the alternate finding of the arbitrator at paragraph 138, that if there was a nuisance, the injury or interference by reason of the permit was justified, based on his finding that there was statutory authority. Counsel for Ms. Mackay says that this could only have been an indirect cause of the interference. The reasoning of the arbitrator is perhaps not as clearly articulated as it could have been on this issue.
- [28] Nevertheless, I feel that I am bound to follow and apply the reasoning set out in *Southam*, in terms of what, in these circumstances, constitute questions of law. In this case, the arbitrator articulated the correct test for nuisance in his award. That is the question of law and the parties are agreed on that point. I can only presume that in coming to his conclusions, which are findings of fact or mixed law and fact, he applied the articulated test. He did not state any different approach. As was stated at paragraph 21 of *Specialist Physicians*, any error of the question of law must arise from the face of the award itself.
- [29] In this case, I agree with counsel for the Crown that it is not possible to discern that after having articulated the correct test, the arbitrator failed to apply it, based on the theory that he forgot about the indirect aspect of that test when referring to "these actions" in paragraph 137.
- [30] In substance, this amounts to an attack on the conclusions of the arbitrator about whether the actions of the Branch constituted a nuisance, which again are not within the purview of an appeal since they are findings of fact. In addition, it is clear that this finding is not dependent on the statutory authority issue: see paragraph 117 of the award.
- [31] Accordingly, I find that with respect to the first issue relating to nuisance, there is no question of law raised in the arbitrator's award that meets the requirement in s. 31(1) of the *Commercial Arbitration Act*.
- [32] Based on the submissions of counsel, it is apparent that the second alleged error is only relevant in the event that there is an established nuisance, since the statutory authority issue would have stood as a defence by the Branch to a finding of nuisance. Given my decision, it is therefore unnecessary to address the second issue as it is moot.

Other Issues

- [33] I would say, however, that if a question of law had been raised in respect of the nuisance issue that was the proper subject of an appeal, I would have had no hesitation in concluding that the statutory authority issue did raise a question of law. I agree with Ms. Mackay's counsel that while the issue may be framed in the context of the facts of this case, the issue is one of statutory interpretation of the *Heritage Conservation Act* that is not necessarily tied to those facts.
- [34] Further, I am of the view that Ms. Mackay also met the prerequisites in s. 31(2)(a) of the *Commercial Arbitration Act*, in that the result was certainly of significance in the circumstances, given the financial consequences to her of the Branch's decisions. Further, a different decision on the point of law would have led to a different result.

- [35] Similarly, I would have concluded that the point of law was of general or public importance under s. 31(2)(c) of the Act, since the issue concerns whether public decisions of this kind, which are made for the common good, are appropriate to negatively affect a landowner's rights of use and enjoyment of his or her land. The interpretation and application of the *Heritage Conservation Act* certainly affects not only Ms. Mackay, but the rights of other landowners in this province who may similarly own lands having heritage value.
- [36] Finally, but for the question of law issue, I would have found that the appeal had sufficient substance to warrant an appeal. As stated by counsel for Ms. Mackay, the issues in this appeal would have addressed the intersection and conflict of two very different but important concepts: firstly, protecting the interests of the public by statutory authority by ensuring the research and preservation of items of heritage value; and secondly, protecting the interest of a private landowner in having the right to control and enjoy her own property as she wishes, without interference from the state and without the state requiring that the landowner fund activities on the land in what can only be described as a public interest endeavour.
- [37] I must say that I have great sympathy for the position in which Ms. Mackay finds herself. She and her late husband bought this property without any knowledge of its history and the potential impact of the *Heritage Conservation Act* on the property and her rights to develop a home on the property. As stated in the amended petition, she simply wished to build a home and was met not only with having to satisfy the usual development requirements, but also extensive, lengthy, and expensive requirements under this Act too.
- [38] Nevertheless, the parties chose to resolve this dispute by arbitration and, having done so, they expressly agreed to limit any rights of appeal from that decision. Accordingly, the petition is dismissed with costs.

"Fitzpatrick J."

Item 6.1 (a)(ii)



Island woman on the hook for \$600,000 in archeological fees

Judge expresses 'great sympathy' for her plight, but arbitrator's ruling that province acted in good faith is upheld

BY SANDRA MCCULLOCH, POSTMEDIA NEWS MARCH 9, 2011



Excavation of this property in 2007 wound up requiring an archeological impact assessment permit, which cost \$600,000. **Photograph by:** Bruce Stotesbury, Postmedia News Files, Postmedia News

An Oak Bay woman who built a house on an unregistered aboriginal midden has had her bid to recoup \$600,000 from the provincial Archeology Branch struck down.

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Wendi Mackay of 2072 Esplanade had asked B.C. Supreme Court to review arbitrator John Horn's January 2010 decision that cleared the province of blame.

In a decision made public Monday, Justice Shelley Fitzpatrick agreed with the arbitrator, but said she has "great sympathy" for Mackay.

"She and her late husband bought this property without any knowledge of its history and the potential impact of the Heritage Conservation Act on the property and her rights to develop a home on the property," Fitzpatrick said.

Mackay simply wanted to build a home "and was met not only with having to satisfy the usual development requirements, but also extensive, lengthy and expensive requirements under this Act too," she said.

Mackay was unaware that in 1971 the area had been identified as having archeological significance. It was not deemed a heritage site under the Heritage Conservation Act.

Mackay bought the property in 2005 from her parents for \$750,000. She moved the original house from the site and planned to build a retirement home there.

The title search came back clear.

But through her architect, Mackay learned she needed an archeological impact assessment permit and would have to pay the archeologists' salaries.

The law states that Mackay could not "damage, excavate, dig in or alter any heritage object from a site that has historical or archaeological value unless that person has a permit," Fitzpatrick said.

Mackay had to hire an archeologist to carry out an inspection and investigation work before any redevelopment.

In late 2007, Mackay finally received approval to build her home.

She sued the province, alleging the archeology branch didn't have the statutory authority to require her to get permits and carry out the extra work.

The arbitrator found, and the court agreed, that the province acted honestly and in good faith.

Mayor Chris Causton couldn't comment on this case specifically, but he did say that the issue is "of great concern" to both homeowners and municipalities.

"The homeowner becomes wholly responsible for all the costs but has no control over the expenditures or management of the project," he said.

Oak Bay is facing similar issues with new separate sewers in the Uplands, meaning residents there would be required to pay to connect that sewer.

"We have no idea what the budget ramifications are from these heritage regulations," Causton said.

"It means that we're unable to budget. And if we're unable to budget, Oak Bay's inclination is not to do it."

The municipality ran into the problem in Mackay's neighbourhood, where it wanted BC Hydro to put overhead wires underground.

The affected homeowners would pay the bill under the Heritage Conservation Act.

"You don't know how much to borrow from the bank," Causton said.

If all the homeowners were required to pony up \$500,000 apiece, "that would bring the whole project to a halt," Causton said.

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Item 6.1 (b)





Leash looms for North Shore dogs

Free-roaming dogs in Capilano River Regional Park may be on a tighter leash this summer.

BY VANCOUVER SUN MARCH 3, 2011



Free-roaming dogs in Capilano River Regional Park may be on a tighter leash this summer.

The Metro Vancouver regional parks committee is considering a "dog management plan" for the 150-hectare North Shore park, which stretches from Ambleside Beach to Cleveland Dam.

The strategy, which may be loosely based on one already in place at Pacific Spirit Park, is aimed at curbing potential conflicts between humans and off-leash canines while protecting the environment.

Metro park staff will hold an open house for the neighbourhood -which includes both West Vancouver and North Vancouver District -at Camp Capilano on April 11 before launching a pilot project this summer.

The pilot will run until December, at which time staff will develop its plan.

"The number of visitors and the number of people to the park is increasing," said Richard Wallis, Metro's acting west area parks manager. "We're trying to find a balance of protecting the environment and providing recreational facilities."

Dog walkers are among many visitors to the North Shore park, which attracts about 940,000 visits annually to its 26 kilometres of trails winding through second growth coniferous forest. It's the third busiest park in Metro Vancouver's regional park system.

The park doesn't allow any dogs to run free, yet only about 45 per cent of dogs in the park are on leash, according to the Metro staff report, which is based on observations and data collected last year.

The region attempts to enforce the rules through education and voluntary compliance.

Gayle Martin, a Langley City councillor and chairwoman of the Metro parks committee, said part of the challenge is that dog owners see their pets as "part of the family" and don't see why they have to be on

leash. "That's why people are so passionate about it," she said.

Capilano River Regional Park is the second park to be earmarked for a dog management plan, mainly because of the rising number of people -and dog walkers -using it, Wallis said.

He notes there are concerns that off-leash dogs will go off the trails, trampling soil and vegetation, chasing wildlife, creating sediment in the waterways and leaving uncollected dog waste throughout the park.

The regional district strategy will look at a range of opportunities for dog walking, both leashed and off-leash, plus opportunities for enhanced services such as dog-wash facilities and dog supplies.

Wallis said the plan may have some similar elements to the one at Pacific Spirit Park, which has certain off-leash hours, requirements to leash up 10 meters from stream crossings and 50 meters from park entrances, and "no-dog" trail designations.

It's estimated that 105,000 dogs live in the City of Vancouver alone, but Pacific Spirit sees an average of 360,000 dog visits per year. Metro wasn't sure how many dogs visit Capilano. Land holdings for Capilano River Regional Park include fee simple ownership and leases from both the province and Greater Vancouver Water District.

West Vancouver Mayor Pamela Goldsmith-Jones said she's not aware of the park committee's plans but said her city has been wrestling with the off-leash dog conundrum for years.

The city has posted signage where dogs can be off-leash as well as extending on-leash areas. A park ranger also reminds dog walkers to keep their pets on-leash or, if they fail to comply, to give them a ticket.

"We always have an issue with being able to enforce what the rules are," Goldsmith-Jones said.

Martin noted issues with offleash dogs are becoming a big problem across the region. While there are off-leash facilities at Surrey's Tynehead and Campbell Valley Parks, as well as Aldergrove Lake, they're not necessarily what people want, she added.

Langley Township resident Peter Wood told the park committee last month that there are only three "postage stamp" off-leash areas where the township's 20,000 dogs can run free south of the Fraser.

North Vancouver District Mayor Richard Walton said people don't realize how much damage a dog can do running through the natural undergrowth of the forest or steep sided canyons.

Coquitlam Mayor Richard Stewart noted his wife was seriously injured after she was tripped up by a dog while running in Mundy Park.

"I sympathize with dog owners," he said. "I want this [strategy] to find opportunities but to make sure they're responsible."

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Item 6.1 (c)



Parents to pay for son's graffiti vandalism

Ruling that parents had a duty to take action sets Canada-wide legal precedent

BY BILL CLEVERLEY, POSTMEDIA NEWS FEBRUARY 25, 2011

In a precedent-setting case for Canada, the B.C. Supreme Court has held a Langford couple partly responsible for their son's graffiti vandalism.

"It's the first time a court has acknowledged parental responsibility for the actions of a minor," said lawyer Troy DeSouza, who acted for the City of Langford in the case.

"There's no cases on this. We are on new ground here."

In 2008 the youth, now an adult, pleaded guilty to nine charges of mischief and was fined about \$350.

But Langford felt the fine was insufficient. The municipality sued, claiming damages of about \$27,500.

The consent court order includes:

- . \$7,500 to be paid by the offender and restitution to the two companies that agreed to participate with Langford in the litigation.
- . A declaration of parental duty of care over vandalism of a minor and a charitable donation to a local food bank.
- . Acknowledgment by the young offender to the acts of vandalism.
- . Agreement by the youth to comply with Langford bylaws and possess no graffiti implements.
- . Counselling and cleanup. As part of the order, the family cannot be named.

Key to success of the legal action was the fact the parents were both aware of their child's actions and that they had the ability but failed to take action to stop him, DeSouza said.

"If you've got a kid and he's gone and broken a window, you're not going to be on the hook for that," DeSouza said. "But if in this situation you know your child has got a graffiti problem, the police have come to your house on more than one occasion and it's a bit of an issue, you've got to do something. That's why the city took these steps."

DeSouza believes the order will attract attention from other municipalities frustrated by light sentences handed out in vandalism cases.

"It gives the community a greater leverage in dealing with acts of vandalism," DeSouza said.

It is not the first time the municipality has pressed for more severe sanctions for taggers.

Langford enforcement officials believe incidents of graffiti have dropped since the municipality has taken a hard line, DeSouza said.

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Risks worth taking

By Dean Shiskowski, Ph.D., P.Eng

I continue to marvel at the issues those in my chosen profession have been forced to consider over the past few years. The global drivers of energy-efficiency and self-sufficiency as well as resource limitations and climate change require those practicing in the area of wastewater management to address issues and consider ideas that were only a small or non-existent blip on the radar screen as recently as five years ago.

Addressing challenges will require taking risks, which the current and upcoming generation of engineers will need to consider taking. The challenge is that the civil engineering world, which is entrusted with spending huge sums of public monies, is a necessarily conservative business in general. At the same time, this conservativeness, if unchecked, may prevent our society from making the changes needed to preserve and enhance our quality of life and that of our natural environment.

Consider a simple example, water conservation. You would be hard-pressed to find anyone who does not think this is a good idea. But consider a comment made by George Tchobanoglous, Ph.D., an Emeritus Professor at the University of California and a globally recognized leader in environmental engineering, at a recent Water Environment Research Foundation forum. He described the "unintended consequence" of a particular community's aggressive pursuit in the implementation of water-saving fixtures. They had succeeded in significantly reducing their potable water use. But when this reduced volume became wastewater and was discharged into the sewer system, the low-flow velocities were insufficient to flush the pipes of accumulated, settled solids. Addressing this maintenance issue required flushing the sewer system with potable water obtained from hydrants. This unintended consequence significantly compromised the sought after benefit.

This is where the risk taking comes in. In this example, if we talk water conservation, the work might be installing the next kilometre of sewer pipe in the ground using a smaller diameter and greater slope than used previously. Sounds easy. But consider that this decision a) may go against decades of design practice and experience and b) could have serious consequences if in fact we don't achieve the water

conservation goals set out. Would you be willing to take this decision to your municipality's political board?

Regardless of our individual role in this industry, many will have to take such risks if we are to advance the measures needed for society.

As the next generation of engineers, many of you will have the opportunity to advance new ideas from the ground floor. This

Dean Shiskowski, Ph.D., P.Eng.

will require taking risks first with your own peers. My own experience is but one example. My Ph.D. work focused on nitrous oxide (N $_2$ O) generation in wastewater treatment bioreactors. N $_2$ O is a very powerful greenhouse gas (GHG) with a global warming potential equivalent to 300 times that of carbon dioxide. Very little was known about this potential greenhouse gas issue in the wastewater community at that time. My initial attempts at sharing what I had learned with those I interacted with at conferences and discussion forums were often met with resistance and apathy.

Fast forward a few years – through the efforts of a relative few raising the initial awareness – the $\rm N_2O$ issue is now arguably the hottest GHG topic in wastewater treatment. Now, I get invited to speak at local and international conferences, provide commentary to NASA researchers, write editorials in journals and participate in related research activities conducted in Canada and elsewhere. At times it felt like pushing a rope, but in the end it has been very rewarding.

Some risks are worth taking. Will you be bold enough to take them?

Dean Shiskowski, Ph.D., P.Eng. is the Corporate Practice Leader – Wastewater Management for Associated Engineering, a Canada-wide consulting engineering firm. He obtained his M.A.Sc. and Ph.D. degrees from UBC in 1995 and 2005, respectively, in Civil (Environmental) Engineering.



THE LEGALIZATION OF GAMBLING IN CANADA

Prepared for:

The Law
Commission Canada
"What is a Crime?"

Prepared by:

Colin S. Campbell, Ph.D. Timothy F. Hartnagel, Ph.D. Garry J. Smith, Ph. D.

6 JULY 2005

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CSC TFH GJS

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EXECUTIVE SUMMARY

Situated within the ambit of the "What is a Crime?" project, The Legalization of Gambling in Canada reviews the transformed status of gambling in modern Canadian society, with particular emphasis on the social, political, economic and cultural forces that have changed the public perception of gambling from a sin, to a vice, to a mode of entertainment. More specifically, the report examines the selective removal of criminal prohibitions against gambling in Canada.

The provisions of the Canadian *Criminal Code* that pertain to gambling have undergone numerous revisions since the *Code's* creation in 1892. These changes have entailed a gradual but sustained shift toward greater liberalization and represent a clear transition of gambling's status from criminal prohibition to legalization. Taken together, the changes also reveal a consistent pattern of lesser federal responsibility over gambling and a greater provincial authority over an activity that now has considerable economic significance. This report documents the consequences of this transition.

Amendments made to the *Criminal Code* in 1969 and 1985 were pivotal developments both in transforming gambling in Canada and in consolidating provincial authority over it. Several different operational and regulatory models have appeared across Canada as a result of differing provincial interpretations of the *Criminal Code* with respect to gambling. A national *Criminal Code*, once uniform in its application, can now be seen to have regional interpretations, at least in regard to gambling.

Available data on public attitudes support the notion that Canadians are ambivalent toward gambling. Canadians generally view gambling as an acceptable community activity, due perhaps to its perceived inevitability and as a source of revenue for governments and charities. On the other hand, many Canadians feel there should be more restrictions on gambling, with the strength of such feelings varying with the type of

gambling (e.g., VLTs), the location of venues ("not in my backyard"), and the perceived social costs of gambling.

Four broad theoretical perspectives are considered as rival explanations of the transformed legal status of gambling in Canada. The consensus perspective suggests that fundamental shifts in Canadian attitudes and values regarding gambling underpinned the legal changes that have facilitated the widespread availability of gambling in Canada in the 20th Century. Alternatively, a group conflict perspective is considered which suggests that relatively powerful interests such as the leisure industry (including private sector gambling operators) in alliance with influential non-profit community-based charities have influenced the legislative process. This perspective points to the presence and influence of prominent groups which have sought to benefit from the relaxation of restrictions on gambling. A third perspective, termed "managing consent" points to a general pattern within Canadian federalism in which the central government has tended to devolve traditional federal responsibilities to the provinces. The transfer of authority to provinces to conduct, manage and license gambling would appear to provide strong evidence in support of this perspective. Finally, aspects of "neo-liberalism" are considered in regard to the relaxation of gambling prohibitions. In this perspective, the state realistically can perform only a minimum of functions, particularly in regard to crime prevention. Thus deviant behaviours that were once criminalized are "defined down." The decriminalization of substantial amounts of gambling and the devolution of responsibility for its regulation and control ("licensing") from the federal to provincial governments fit this pattern of "defining deviance down." The 1969 and 1985 amendments removed centralized state control over much gambling behaviour and shifted responsibility to the provinces for licensing and regulation. In turn, provinces have, in effect, shifted responsibility for the social control of licensed gambling

to the private sphere through management contracts with leisure industry businesses or to Crown corporations.

In the wake of legalized gambling's widespread availability within Canada, a series of unintended and unanticipated negative consequences have also appeared. In this regard, a categorization of gambling-related crime is developed and presented including: illegal gambling, crimes committed to finance gambling, crimes associated with legal gambling expansion, crimes located in or near gambling venues, crimes that occur in the course of legal gambling activities, crimes associated with pathological gambling behaviours and graft and corruption of elected and appointed officials. Additionally, consideration is given to problem and pathological gambling as serious problems in their own right, independent of their association to crime.

A series of contentious public policy issues are identified. These include questions about the legal validity of particular operational and regulatory models of gambling now evident in some provinces. As well, questions are broached pertaining to the legality of the arrangements under which some provinces permit, operate and regulate video lottery terminals (VLTs). Questions are also raised in regard to the legality of Internet betting conducted by First Nations operators on First Nations land and on horse-race betting via the Internet. Additionally, the current class-action suit against Loto Quebec for its alleged failure to prevent excessive losses by problem gamblers is reviewed briefly. Finally, recent concerns raised in the Canadian Senate about provincial operation of VLTs have culminated in a private member's bill to dramatically limit provincial authority with regard to gambling are reviewed as yet another contentious public policy development.

For comparative purposes, the nature and scope of gambling in Australia, Great Britain and the United States are examined, followed by a synopsis of the national studies of gambling that have been completed in each of these countries. The

comparative analysis points to specific aspects of these countries' gambling policies and suggests particular lessons that Canadian law and policy makers may wish to consider with respect to: a) illegal gambling and crimes associated with legal gambling; b) the probity and integrity of gambling regulation; and c) the social costs of gambling.

Despite the legalization of many forms of gambling, a number of unwanted and harmful behaviours associated with gambling persist and, in some cases, have increased. In particular, criminal behaviour and gambling remain linked in a number of ways. New problems or forms of "deviance," such as "excessive" or "problem" gambling have arisen, the latter associated with the availability of electronic gambling machines. As well, a range of provincially-funded educational and therapeutic programs directed at preventing and ameliorating problems associated with these new forms of deviance have arisen.

Fundamentally, *The Legalization of Gambling in Canada* poses a series of challenging questions regarding Canadian gambling policies. How can the benefits and costs of legal gambling be balanced? How can the unintended but negative consequences of legalization be mitigated? How should public opinion and values enter into the policy process with respect to the regulation of gambling? Perhaps the most crucial policy issue concerns the potential conflicts of interest that arise for provincial governments when they both regulate and promote gambling. Provincial governments have become increasingly dependent upon the revenue generated by the expansion of legal gambling; therefore, they have a vested interest in the promotion and expansion of gambling. At the same time, these governments now have exclusive power to regulate and control gambling activity. The potential for conflicts inherent in this situation is of pressing concern from the perspective both of public welfare and respect for governmental institutions.

Canadian criminal law in regard to gambling has been used principally to consolidate and legitimize a provincial government monopoly over gambling as a revenue generating instrument. This, of course, begs the fundamental question of whether or not this is an appropriate use of criminal law.

Item 6.2 (b)(i)



Metro mulls evening ban on lawn sprinkling But some directors say change should wait another year

BY KELLY SINOSKI, VANCOUVER SUN MARCH 10, 2011



1 of 3 10/03/2011 1:14 PM Proposed changes to lawn watering rules would eliminate all evening sprinkling beginning June 1.

Photograph by: Getty Images Files, Vancouver Sun

Rain is forecast for the next few days but Metro Vancouver is already talking about further restricting lawn sprinkling across the region this summer.

The regional district is proposing eliminating all evening lawn sprinkling this year, starting on June 1, in an attempt to reduce increasing pressures on the region's water transmission system during hot, dry summer days.

In return, Metro would allow residents to sprinkle their lawns three mornings a week, from 4 a.m. to 9 a.m., instead of the two now provided. Nonresidential customers can water their lawns from 1 a.m. to 6 a.m.

The move -the first change in Metro's water restriction plan in 18 years -is expected to cut water use by 12 per cent during peak hours and by three per cent on peak days, while saving on infrastructure costs.

"During these hot summer days the system really gets taxed," said Metro Vancouver spokesman Bill Morrell. "We're looking at options to knock the top off those peaks."

The plan must be approved by the Metro Vancouver board, and Metro's municipalities, which would have to change their bylaws.

But not all Metro directors are on board with the proposal, noting some municipalities have already issued their water sprinkling calendars for this summer. Others suggested Metro should wait a year so the public can get used to the idea.

The changes would apply only to lawns and not gardens, shrubs, playing fields, golf courses, sports fields and other large public spaces such as parks and turf fields.

"It's extremely rushed to push this when it's already March," said Burnaby Coun. Dan Johnston. "By restricting it to mornings only you're going to piss off a lot of people. It would be better having one day in the morning and one in the evening.

"Our staff is saying this is going to be impossible to enforce for the first couple of years until moral suasion kicks in."

Stan Woods, Metro Vancouver's senior engineer of policy and planning, said sprinkling lawns in the morning is more efficient as air temperatures and winds are generally lower and it is better for the health of the lawn. The move is modelled on a program in Mission and Abbotsford.

The water committee decided to adopt a suggestion by Vancouver Coun. Geoff Meggs that Metro start the program on June 1, but not enforce it until next year.

It also agreed to launch an education campaign to change peoples' lawn sprinkling habits, noting its two-year Tap Water campaign has resulted in a 15 per cent reduction in those drinking bottled water.

"There's certainly been a shift in our messaging for watering your lawns ... just to keep it green is a luxury," Woods said. "What we would prefer is to water lawns more efficiently -once a morning and once a week."

Metro Vancouver hasn't experienced record levels of snowfall this year, but had received 80 per cent of the annual peak snowpack as of March 1, according to the River Forecast Centre, with above-normal snow packs in the Lower Fraser, South Coast and Vancouver Island.

The melting snowpack is collected in the region's three reservoirs -the Seymour and Capilano on the North Shore and the Coquitlam reservoir -before it's treated, filtered and flows out of taps across Metro.

Every day, more than one billion litres of clean, clear water streams out of taps across Metro Vancouver. The Seymour and Capilano watersheds supply up to 70 per cent of Metro's drinking water -mainly to Vancouver, Burnaby and Richmond -while the Coquitlam reservoir serves the Tri-Cities and most homes south of the Fraser.

Surrey Coun. Marvin Hunt noted while Metro Vancouver's reservoirs might be filling up with rain and snow right now, it won't be the same in the middle of July.

"This wonderful illusion we have right now will change when it gets to July and that gets pretty dry," Hunt said.

Municipalities such as Surrey and Langley tend to suffer the most during peak watering hours as those communities are located furthest from the water reservoirs.

In the past, Hunt noted, Surrey didn't have enough water to fight fires.

"As Surrey is at the end of the pipe, we really appreciate the reduction of water use," he said.

Langley Township, which sees 52 per cent of its water come from groundwater wells, put a moratorium on all watering last year because of the conditions. "It depends on issues of drought and how hot it is," Mayor Rick Green said. "We've all got to be more concerned about conservation."

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Item 6.2 (b)

Ideology is driving restrictions on watering lawns

BY CORRIE KOST, VANCOUVER SUN MARCH 12, 2011

Re: Metro mulls evening ban on lawn sprinkling, March 10

To allow twice-weekly lawn watering from only 4 a.m. to 9 a.m. would be a hardship for those who regularly work a shift during those hours.

Metro Vancouver senior engineer Stan Wood's view that keeping a lawn green is a luxury is fine for those who regard money itself as a luxury.

For most of us, the extra money the sale of a home provides due to the great curb appeal of a fine lawn is not a luxury.

The myth that a nice green lawn has only cosmetic value should be corrected once and for all.

As for our water supply, rarely do our reservoirs drop below much below 70 per cent of full capacity before the fall rains arrive.

On a related issue -to meter or not to meter -it is my opinion that raising the dams holding back the water would seem far more economical than forcing down consumption by way of water metering.

Sadly, ideology, not science and economics, appears to be driving many of the environmental/conservation programs.

Corrie Kost



North Vancouver

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Item 6.2 (c)



Talking on cellphone alters brain activity, U.S. study shows

Scientists still not sure if the devices cause cancer

BY JULIE STEENHUYSEN, REUTERS FEBRUARY 23, 2011

Spending 50 minutes with a cellphone plastered to your ear is enough to change brain cell activity in the part of the brain closest to the antenna.

But whether that causes any harm is not clear, scientists at the National Institutes of Health said on Tuesday, adding that the study will likely not settle recurring concerns of a link between cellphones and brain cancer.

"What we showed is glucose metabolism (a sign of brain activity) increases in the brain in people who were exposed to a cellphone in the area closet to the antenna," said Dr. Nora Volkow of the NIH, whose study was published in the Journal of the American Medical Association.

The study was meant to examine how the brain reacts to electromagnetic fields caused by wireless phone signals.

Volkow said she was surprised that the weak electromagnetic radiation from cellphones could affect brain activity, but she said the findings do not shed any light on whether cellphones cause cancer.

"This study does not in any way indicate that. What the study does is to show the human brain is sensitive to electromagnetic radiation from cellphone exposures."

Use of the devices has increased dramatically since they were introduced in the early-to-mid 1980s, with about 5 billion mobile phones now in use worldwide.

Some studies have linked cellphone exposure to an increased risk of brain cancers, but a large study by the World Health Organization was inconclusive. Volkow's team studied 47 people who had brain scans while a cellphone was turned on for 50 minutes and another while the phone was turned off.

While there was no overall change in brain metabolism, they found a 7 per cent increase in brain metabolism in the region closest to the cellphone antenna when the phone was on. Experts said the results were intriguing, but urged that they be interpreted with caution.

"Although the biological significance, if any, of increased glucose metabolism from acute cellphone exposure is unknown, the results warrant further investigation," Henry Lai of the University of Washington, Seattle, and Dr. Lennart Hardell of University Hospital in Orebro, Sweden, wrote in a commentary in JAMA.

"Much has to be done to further investigate and understand these effects," they wrote.

Professor Patrick Haggard of University College London said the results were interesting since the study suggests a direct effect of cellphone signals on brain function.

But he said much larger fluctuations in brain metabolic rate can occur naturally, such as when a person is thinking.

"If further studies confirm that mobile phone signals do have direct effects on brain metabolism, then it will be important to investigate whether such effects have implications for health," he said.

John Walls, a spokesman for CTIA-The Wireless Association, said the scientific evidence so far "has overwhelmingly indicated that wireless devices, within the limits established by the FCC (Federal Communications Commission), do not pose a public health risk or cause any adverse health effects."

Volkow said the findings suggest the need for more study to see if cellphones have a negative effect on brain cells.

Meanwhile, Volkow isn't taking any chances. She now uses an ear phone instead of placing a cellphone next to her ear."I don't say there is any risk, but in case there is, why not?"

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Human Transit

Item 6.2 (d)

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does high-density life have a bigger ecological footprint? and why?

Over at New Geography, Joel Kotkin has a new broadside against high-density inner city life. It's called "Forced March to the Cities," presumably to feed the right-wing talking-point that urbanism and planning are totalitarian. Here's the part that's supposed to scare you:

... [A]cross the country, and within the Obama Administration, there is a growing predilection to endorse policies that steer the bulk of new development into our already most-crowded urban areas.

One influential document called "Moving Cooler", cooked up by the Environmental Protection Agency, the Urban Land Institute, the Environmental Defense Fund, Natural Resources Defense Council, the Environmental Protection Agency and others, lays out a strategy that would essentially force the vast majority of new development into dense city cores.



Over the next 40 years this could result in something like 60 million to 80 million people being crammed into existing central cities. These policies work hard to make suburban life as miserable as possible by shifting infrastructure spending to dense areas. One proposal, "Moving Cooler," outdoes even Lowenthal by calling for charges of upwards of \$400 for people to park in front of their own houses.

The ostensible justification for this policy lies in the dynamics of slowing climate change. Forcing people to live in dense cities, the reasoning goes, would make people give up all those free parking opportunities and and even their private vehicles, which would reduce their dreaded "carbon imprint."

He goes on to argue that urban development's footprint is actually higher.

Yet there are a few little problems with this "cramming" policy. Its environmental implications are far from assured. According to some recent studies in Australia, the carbon footprint of high-rise urban residents is *higher* than that of medium- and low-density suburban homes, due to such things as the cost of heating common areas, including parking garages, and the highly consumptive lifestyles of more affluent urbanites.

His link is to a 2007 <u>Australian Conservation Foundation</u> (ACF) study "<u>Consuming Australia</u>." on the impacts of consumption in different parts of the country. The very readable <u>summary report</u> (only 17 pages!) makes several important points about consumption, most of them also true of the US and Canada, but its point is more nuanced than Kotkin's, and I suspect its authors would be offended to be cited as implying that urban infill is bad for the environment. (**UPDATE**: Yes, ACF is definitely offended. ACF's Charles Berger replies to similar misuse of his study here. Thanks to Daniel for the link.)

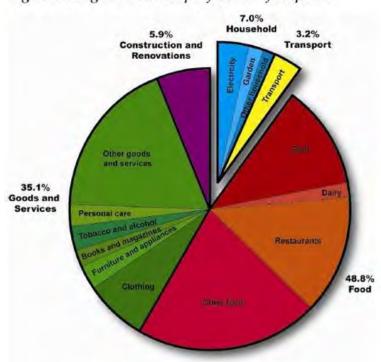
The first ACF finding is this:

Indirect impacts of consumption outweigh direct household use of energy, water, and land.

Here is the report's graphic showing the eco-footprint of an average Australian household:

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Fig 3. Average household profile: eco-footprint



The point here is that most of our environmental impact is not from the land and water and power that we pay for directly, and the emissions that result. Most of our footprint is from the land, water, power, and emissions associated with the creation and transportation of things we consume. Most of our transport costs and impacts, for example, are for moving things that we buy, not for moving ourselves. This does mean that those of us who are focused on personal transportation choices are affecting a small slice of the pie.

The second key finding:

• Affluent areas have higher environmental impacts.

... because, obviously, affluent people buy more stuff, go to restaurants more, etc.

So it's not surprising that when the report turns to urbanism, it finds that the ecological footprint of high-density living is mostly not because of the high density, it's because of the choices of the people who live there. Which brings us to the ACF study's next point:

• Inner cities are consumption hotspots.

This point is what Kotkin wants to emphasize, but here's how the ACF report actually describes it:

" ... [D]espite the lower environmental impacts associated with less car use, inner city households outstrip the rest of Australia in every other category of consumption. Even in the area of housing, the opportunities for relatively efficient, compact living appear to be overwhelmed by the energy and water demands of modern urban living, such as air conditioning, spa baths, down lighting and luxury electronics and appliances ... "

The argument is not that inner city living implies a high footprint, but rather that both inner city living and a high footprint are common consequences of affluence. Affluent people living outside the inner city presumably still have a high footprint, and poor people in the inner city still have a small one, but because a lot of the inner city is affluent, the footprint is higher there.

So while Kotkin wants to conclude that inner-city life is intrinsically wasteful of resources, the real and quite different point of the study he cites is that **resource-waste** is a **feature** of **affluent lifestyles**, **which are more concentrated in the inner city**. This suggests that high-density housing geared to lower price points -- for example, by constructing a massive supply -- would reduce the increase the income diversity of the population and thus reduce its average consumption.

But is there no more direct way that high-density living is wasteful of resources? Yes, there is, and the ACF report goes on to explain it:

- Bigger households have smaller per-person footprints than small ones.
- Sharing between households can reduce environmental footprint.

Here, I think, is a valid critique of much of the inner-city high density housing I've seen and lived in. It is designed to serve a population of strangers, and to discourage neighbors from knowing and trusting each other. In all the places I've lived in the US, Canada, and Australia, I've found it's much easier to meet the neighbors across the fence, in a lower-density setting, than in a sterile apartment hallway or elevator.

We're not going to change the fact that smaller households, such as singles and childless couples, are more attracted to high density. Urban

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life is especially attractive in early adulthood, and almost everyone starts out as a one-person household. Even setting side the impact of affluence, smaller households mean more consumption per person, as the ACF study finds, and that's a big problem. Three people living in three apartments have to own three vacuum cleaners, while a family of three people owns only one. So one of the ACF's most crucial recommendations is simply: "Share more."

Efforts at creating a more communal experience of housing always seem to collide with a market where people want privacy and control. But would there really be no market for a highrise development in which each floor had a small room containing an iron, an ironing board, and a vacuum cleaner, which anyone on the floor could use briefly as needed? At some price points, would there really be no market for a return to the laundry room -- again, one on each floor, rather than in each apartment?

To end on a lighter note, let's return to Kotkin's passing claim that the high consumption from high-rise development, as found in the ACF study, is "due to such things as the cost of heating common areas, including parking garages." This idea isn't in the ACF study; it's Kotkin's interpolation.

I've lived in Australia for three years and have never seen a heated parking garage, nor even an air-conditioned one. But Kotkin's reference to the parking garage really makes an urbanist point: If we had a carsharing system under every residential tower rather than a mandatory 1-2 parking spaces for every unit, we'd reduce our footprint and make the building more affordable. It's still the case, in much of the US, Canada, and Australia, that if you want to buy a modern high-rise apartment with no parking space, it's hard to find. I've looked.

Does high density life have a bigger ecological footprint? From the ACF report, the answer seems to be "not necessarily, but affluence does." So I'll end with the ACF's advice to people with money: "Buy fewer things, enjoy life more!"

Posted by Jarrett at HumanTransit.org at 13:24 in	Parking, Philosophy	<u>Urban Structure</u>	<u>Permalink</u>	ShareThis
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Interesting study, I'll have to read it.

However, I do find it odd that a study which shows urban living has a higher environmental footprint than others is explained away by reference to a external variable. Consider: how often are we told that urban living has a lower carbon footprint or some such. If things like the affluence of inner cities can vitiate studies that show a negative outcome for urban areas, then dittos for studies that show positive results for urban living, which leaves us, well, nowhere.

Posted by: Aaron M. Renn | 03/20/2010 at 14:00

I'm no fan of Kotkin, but I recall reading a Cox article not too long ago that discussed the same thing, and in a reference link by Cox to an Australian article (I think he helped conduct the study) it showed that urban lifestyles showed that many of them own one or more homes, therefore their per-capita energy use was higher than that of suburban dwellers due to their consumptive habits.

So, I like Kotkin's "skewing" of facts a bit more than that article. My intelligence is a little less insulted, at least.

I think that once we get into the nitty gritty of energy use / consumption, we need to separate implicit values such as building footprint with that of more subjective ones as individual consumption (in your case, a vacuum cleaner, but who's to say a person doesn't own one or pays a neighbor to clean their apartment, etc.).

But your point is valid.

I'd also like to see studies about the long-term energy use of buildings. Steel and glass are probably going to consume a lot of energy in their making vs. a typical wood structure, but on the upside, steel and glass can last a very long time vs. a wood-frame structure and it will presumably have less repairs. That will play a large factor down the road rather than right when it's built.

Resource extraction and its subsequent environmental impact should also be considered when we get into the material palette of highly urbanized intensive buildings. I have yet to see a study that really looked at these things.

In addition to these points, there has to be a damn criteria for determining what is dense! People say low density and high density without some sort of baseline

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