



Date: April 30, 2003

**TO: Board Members - Parks and Recreation**  
**FROM: General Manager - Parks and Recreation**  
**SUBJECT: Financing Growth Report to Council**

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## **RECOMMENDATION**

**THAT the attached City Council report on Financing Growth be received for information, and that staff be directed to develop a communication strategy to share the report recommendations with key Park Board partners and stakeholders and to receive feedback on parks and recreation issues.**

## **POLICY**

**There is no applicable Park Board policy.**

## **BACKGROUND**

The Financing Growth Report is the product of thorough analysis, policy formulation and public consultations, involving staff representation from most City Departments and Boards, including the Park Board. This initiative was launched by City Council in January 1999, in the wake of Council's adoption of two types of interim city-wide charges on new development:

- (1) The Interim City-Wide Development Cost Levy (DCL). The City is empowered to charge, collect and assign DCLs on new development by the Vancouver Charter, which is Provincial legislation. The Charter sets rigorous terms for the use of this instrument, and limits the application of these funds to Daycare, Housing (for those displaced by development), Engineering Infrastructure and Parks. Changes to these provisions can only be effected by amendment to the Charter by the Provincial Government.
- (2) Interim City-Wide Community Amenity Contribution (CAC). The City charges a CAC on privately-initiated rezonings to recover growth costs from the resulting added density. These can take the form of cash payments or direct provision of public amenities.

The objectives of the Financing Growth exercise were (1) to calculate the costs to the City of maintaining its services in relation to of projected growth through to 2021, and (2) to determine the best use of DCLs and CACs to offset these costs in the overall City context.

## **DISCUSSION**

The Financing Growth Report and its recommendations will be of interest to all Departments and Boards because of their profound implications for the City and its future. Certain recommendations, however, bear directly on Parks and Recreation related concerns, and these are highlighted in this cover report.

The Recommendations under B (nos. 1-15) pertain to City-Wide DCLs, and propose the rates to be charged, the exemptions granted and, most significantly, the distribution of these funds. In some cases, the City will have to seek a Charter amendment by the Province to effect the proposed changes.

The Park Board will be significantly impacted by Council's decisions with respect to the DCL recommendations. Almost \$200 million, or 41% of total DCL-eligible growth costs, is for neighbourhood park acquisition and development, necessary to maintain the historically-achieved level of park provision of 1.1 ha/1000 population (2.75 acres/1000). The recommendation to set the DCL rate at \$5/square foot (twice the interim rate of \$2.50/square foot) will recover two thirds of this estimated cost of park provision in relation to the growth generated by the development in question. The balance would have to be provided from other capital funds and CACs, to the maximum extent possible.

Under current Charter provisions, recreation facilities — including community centres, rinks and pools — are not eligible for DCL funding. The Report puts before Council (Recommendations G & H) consideration of whether or not more projects should be eligible for DCL revenue. Both scenarios would deliver different benefits to the Board, but the following points should be considered regarding the possibility of expanded eligibility:

- C The growth component of renewal costs identified for community centres, pools and rinks is estimated at \$30 million. Most of Park Board's long-term renewal plans have to address the issue of ageing infrastructure, for which purpose DCL funds cannot be used.
- C Expanding the range of eligibility would not increase the total amount of funding available, but instead distribute these funds to a larger number of recipients, included amongst which would be libraries, civic cultural and social facilities, and police and fire capital projects. The Park Board would likely receive less overall funding.

The Report also identifies a number of instances in which development should be exempt from paying DCLs. In particular, Recommendation B14 proposes that City-owned buildings — which would include all buildings on parks — be exempted, a provision that would potentially reduce capital renewal costs for the Board and its non-profit partner organizations. However, this exemption on the basis of ownership would require Charter amendment.

The Recommendations under C (nos. 1-9) pertain to City-Wide CACs, and do not have specific implication in terms of Park Board concerns. The focus of these recommendations is mainly on the conditions determining whether a flat rate (proposed at \$3.00/square foot) should be charged, or instead negotiations should be used to determine an amenity package. For the Board, as for the City as a whole, the latter scenarios tend to deliver a higher level of public benefit.

Council is being asked to receive the Financing Growth report at this time, and to refer the recommendations and consideration items it contains for public delegations to be heard at a later date, likely in June 2003. Park Board staff will ensure that partner organizations of the Board are informed about the report, its possible impacts on parks and recreation, and the upcoming opportunity to speak to Council on these issues.

The Board may wish to take a formal position on some or all of the proposals in the Financing Growth report and make representation to Council. To assist the Board in its deliberations, Park Board staff will collect and report feedback from partner organizations regarding the implications of the Financing Growth Report for parks and recreation.

## **SUMMARY**

The Board is asked to receive the Financing Growth report for information. Staff will collect inputs from the Board's partner organizations with respect to the Report, and ensure that they are made aware of the upcoming opportunity to speak to Council on this topic.

Prepared by:

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