

Date: April 20, 2007



TO: Board Members – Vancouver Park Board
FROM: General Manager – Parks and Recreation
SUBJECT: Downtown South: Park Strategy for 2007-2021 and Amendments to Development Cost Levy By-Law

RECOMMENDATION

A. THAT the Board support the following targets for parkland acquisition and park development for Downtown South for the 2007-2021 period:

- *Build the second phase of Emery Barnes Park at Seymour and Davie Streets (0.53 hectares or 1.3 acres);*
- *Acquire and develop as park a City-owned parcel at Richards and Smithe Streets (0.31 hectares or 0.8 acres); and*
- *Acquire and develop two mini-parks in the area between Granville and Burrard Streets (0.17 hectares or 0.4 acres).*

B. THAT the Board accept the proposal to revise the Development Cost Levy allocation for parkland acquisition and park development in Downtown South from 45.35% to 38%, provided that Council:

- *Increases the Development Cost Levy rate from \$9.50 per square foot to \$13.00 per square foot; and*
- *Supports other mechanisms (e.g. Community Amenity Contributions) to acquire and develop the parks identified in the targets for Downtown South during the 2007-2021 period.*

POLICY

Council establishes the parameters of Development Cost Levy (DCL) by-laws, including the boundaries of the DCL area, the rate that will be charged, and how the revenues are to be allocated to eligible recipient projects. The Vancouver Charter (Section 523D) defines projects eligible for DCL funding. Parkland acquisition and park development are eligible projects. The construction, renovation and expansion of recreation facilities, such as community centres, pools and rinks, are not eligible projects.

Council establishes how the revenues from Community Amenity Contributions (CAC) are allocated to recipient projects. Parkland acquisition, park development, and the construction, renovation and expansion of recreation facilities are all eligible projects.

BACKGROUND

Downtown South is located immediately south of the central business district, bounded by Robson Street to the north, Burrard Street to the west, Pacific Street to the south, and Homer and Beatty Streets to the east. In 1991, Council rezoned Downtown South from primarily commercial zoning to primarily residential zoning to encourage additional housing close to the business district. Staff projected that the area's population would increase from about 3,000 residents in 1991 to about 11,000 residents in 2016.

In 1991, Council approved the City's first Development Cost Levy (DCL) By-Law in order to pay for some of the community infrastructure required by the area's growing population, including parkland acquisition and park development. The rate was initially set at \$6.00 per square foot of new development and has since been raised twice to reflect the increased costs in providing community infrastructure. The rate now stands at \$9.50 per square foot.

As a general target, the Park Board aims to provide 1.1 hectares (2.75 acres) of 'neighbourhood park' per 1,000 residents. In higher density communities, residents depend on parks to meet their outdoor recreational and leisure needs since they typically have access to a limited amount of private and/or semi-private open space. A target was established in 1991 for park provision in Downtown South, not based on the 'neighbourhood park' ratio, but on what was seen as achievable in a new high density community. The target was to provide 2.8 hectares (7.0 acres) of park as follows:

- two one-block parks, each being about 1.0 hectare (2.5 acres); and
- two smaller parks, each being about 0.4 hectares (1.0 acre).

With land trading at about \$200 per square foot in the early 1990s, the cost of providing 2.8 hectares (7.0 acres) was estimated to be about \$60 million. When measured in relation to the projected population of 11,000 residents, the Downtown South target of 2.8 hectares (7.0 acres) yields a 'neighbourhood park' ratio of 0.25 hectares (0.64 acres) per 1,000 residents, which represents about a quarter of the city-wide ratio of 1.1 hectares (2.75 acres) per 1,000 residents.

In 1991, Council allocated 43% of DCL revenue for parkland acquisition and park development. The remaining 57% was allocated to 'replacement housing', childcare and street trees. The allocation for parks was altered to 45.35% in 1998 after it was deemed that street trees were ineligible to receive DCL funding. DCLs would yield about \$20 million for parks (45.35% of \$43 million in estimated DCL revenue), representing about one third of the funding required to meet the park target.

In 2004, Council requested a review of the public benefits strategy for Downtown South. Staff from Planning, Housing, Social Planning, Engineering, Finance and Park Board have completed the review and prepared a report to Council, attached as Appendix A, which includes a revised public benefits strategy and proposed amendments to the DCL By-Law. Council is scheduled to consider the report on May 3, 2007.

DISCUSSION

Outcomes during the 1992 to 2006 period

The amount of residential development in Downtown South in the last 15 years has surpassed the 25 year projection, which means that more people are living in Downtown South today (about 14,000 residents) than what was anticipated for 2016 (about 11,000 residents).

A total of \$41.1 million was collected in DCL revenue by the end of 2006. Of this amount, \$20.1 million was spent on parkland acquisition and park development. The Park Board also invested \$3.2 million in parkland acquisition from the 1994-1996 Capital Plan, bringing total park expenditure to \$23.3 million by the end of 2006.

A total of 0.53 hectares (1.3 acres) of park has been developed at two sites:

- the first phase of Emery Barnes Park at Richards and Davie Streets (0.36 hectares / 0.9 acres), which opened in 2003;
- a mini-park at the edge of Yaletown at Mainland and Nelson Streets (0.17 hectares / 0.4 acres), which opened in April 2007.



This means that Park Board has achieved about 20% of the target set in 1991 [i.e. 0.53 hectares (1.3 acres) of parkland delivered out of a target of 2.8 hectares (7.0 acres)]. When measured in relation to the current population of 14,000 residents, it yields a 'neighbourhood park' ratio of 0.04 hectares (0.09 acres) per 1,000 residents, which represents 3% of the city-wide ratio of 1.1 hectares (2.75 acres) per 1,000 residents.

In addition, 0.53 hectares (1.3 acres) of land has been acquired for the second phase of Emery Barnes Park at Seymour and Davie Streets. If this land is included in the total, it means that about 40% of the target set in 1991 [i.e. 1.06 hectares (2.6 acres) of parkland delivered out of a target of 2.8 hectares (7.0 acres)] will have been achieved.

Strategy for the 2007 to 2021 period

The park strategy for Downtown South for the 2007 to 2021 period is based on a number of considerations, including:

a) future population growth: the Planning Department anticipates that Downtown South's population will increase by about 10,000 during the 2007-2021 period, from 14,000 to about 24,000 residents, so Downtown South's population in 2021 will be more than double what was originally anticipated.

b) dwindling land supply: most moderately-sized parcels of land suitable for parks have already been acquired for current or future residential developments.

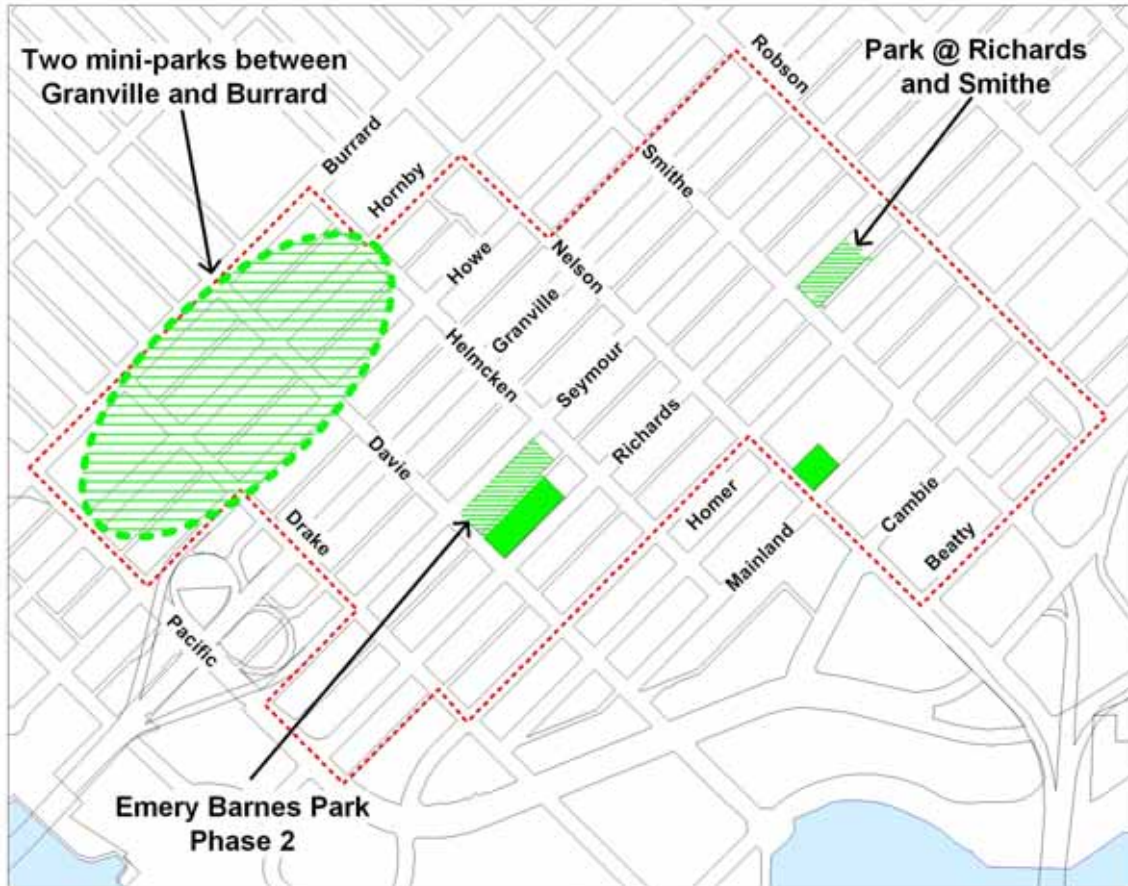
c) escalating land costs: the cost to acquire land in Downtown South has escalated dramatically since 1991. With land trading at about \$600 per square foot in today's real estate market, this means that a one-hectare park would cost about \$65 million to acquire.

d) limited financial resources: assuming that Council approves the proposed rate increase (described in the following section), DCL revenue for the 2007-2021 period is estimated to be about \$58 million, an amount to be used to fund parks as well as other community infrastructure such as 'replacement housing', childcare and transportation.

It is within this context that Park Board staff identified the following targets for parks for the 2007-2021 period:

- Build the second phase of Emery Barnes Park at Seymour and Davie Streets (0.53 hectares / 1.3 acres);
- Acquire and develop as park a City-owned parcel at Richards and Smithe Streets (0.31 hectares / 0.8 acres); and
- Acquire and develop two mini-parks in the area between Granville and Burrard Streets (0.17 hectares / 0.4 acres).

The cost of providing these new parks is estimated to be \$25.4 million.



Recommendation A seeks Board approval of the targets for parks for the 2007-2021 period. If the targets are supported and funded, it will mean that a total of 1.54 hectares (3.8 acres) of park will be provided for Downtown South over the 1992 to 2021 period. This would essentially triple the amount of parkland provided in Downtown South, from 0.53 hectares today to 1.54 hectares in 2021.

However, this means that the City will only have achieved about 55% of the target set in 1991 [i.e. 1.54 hectares (3.8 acres) of parkland delivered out of a target of 2.8 hectares (7.0 acres)]. When measured in relation to the estimated population of 24,000 residents, it yields a 'neighbourhood park' ratio of 0.06 hectares (0.16 acres) per 1,000 residents, which represents 6% of the city-wide ratio of 1.1 hectares (2.75 acres) per 1,000 residents.

Amendments to Downtown South's DCL By-Law

City staff are proposing that the DCL rate be increased from \$9.50 to \$13.00 per square foot of new development, in order to reflect the increasing cost to provide needed community infrastructure. If the rate increase is approved by Council, about \$58 million should be generated in DCL revenue during the 2007 to 2021 period.

An inter-departmental staff committee, which includes representation from the Park Board, reviewed requests from all possible recipient departments and determined, after a

lengthy consensus-building process, that about \$22 million (38%) in DCL revenue can be allocated for parkland acquisition and park development. The remaining \$36 million (62%) would be allocated to 'replacement housing', childcare and transportation.

The proposed allocation for parks (38%) represents a decrease when compared to the current allocation (45.35%). However, the lower allocation (38%), when combined with the higher DCL rate (\$13.00 per square foot), would generate about 15% more money for parks (\$4.94 per square foot) when compared to using the existing allocation (45.35%) and DCL rate (\$9.50 per square foot), which currently generates \$4.31 per square foot for parks.

This \$22 million for parks is nevertheless below the amount (\$25.4 million) required to achieve the 2007-2021 target. It is sufficient to complete the second phase of Emery Barnes Park, the proposed park at Richards and Smithe, and only one of the proposed two mini-parks. The second mini-park would be achievable only if other funding (e.g. a Community Amenity Contribution from a Downtown South rezoning) is secured by the City.

Recommendation B seeks Board endorsement of the proposed DCL by-law changes as well as seeking Council support for additional funding for parks through other mechanisms such as Community Amenity Contributions.

SUMMARY

Downtown South's population will be more than double what was originally projected. The Board is asked to support an updated park strategy for the 2007-2021 period, proposed amendments to the DCL By-Law, and initiatives to receive additional funding for parks. If supported by the Board and approved by Council, it would essentially lead to a tripling of the amount of parkland provided in Downtown South, from 0.53 hectares today to 1.54 hectares in 2021.

Nevertheless, the overall amount of parkland provided will be about half of what was originally targeted in 1991 and well below the Park Board's city-wide target of 1.1 hectares of neighbourhood park per 1,000 residents. This will place a heavy demand on parks in Downtown South and in nearby False Creek North.

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