



Date: June 6, 2003

**TO: Board Members - Parks and Recreation**  
**FROM: Planning and Environment Committee - Parks and Recreation**  
**SUBJECT: Financing Growth Recommendations: Council Presentation**

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## **RECOMMENDATIONS**

- A. THAT the Board endorse the recommendations of the final Financing Growth report, with the exception of Recommendations B1, B4, B9 and C9.**
- B. THAT the Board propose for Council consideration the amendments to Recommendations B1, B4, B9 and C9 of the Financing Growth report as set out in Appendix A to this report.**
- C. THAT the Board urge Council to approve Recommendation G1 of the Financing Growth Report, which provides that “DCL revenue can only be used for the currently eligible facilities: parks, childcare, replacement housing, and specified engineering infrastructure...” and not to approve Recommendation G2 which would expand the range of DCL funding eligibility**
- D. THAT the Board send a delegation to the June 10, 2003 special meeting of Council on the Financing Growth final report in order to express the Board’s opinions on these issues.**

## **POLICY**

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

## **BACKGROUND**

At its meeting of May 12, 2003, the Board received for information the final report of the City’s Financing Growth Initiative to Council, with a covering Board Report that outlined and discussed the Financing Growth recommendations which have particular relevance to parks and recreation services.

The matter was referred to a meeting of the Planning and Environment committee in order that key Park Board partners and stakeholders might have the opportunity to express their opinions on the report recommendations. It was anticipated that this feedback would help the Board take a formal position on the Financing Growth proposals, and shape a presentation to Council at its special meeting on this topic scheduled for June 10, 2003.

## **DISCUSSION**

Thirty-five partner and stakeholder groups were invited to discuss the Financing Growth report with the Planning and Environment Committee at its June 3, 2003 meeting. Eleven people, representing both recreation (including seven community centre associations) and parks interests, addressed the Committee.

The discussion at the meeting very much supported the overall intent and directions proposed by the Financing Growth recommendations. City-wide charges on development, and particularly Development Cost Levies (DCLs) were recognized as an essential tool with respect to maintaining a consistent level of neighbourhood park in relation to population growth, and hence preserving the liveability of our city. On this basis it was concluded that the primary message to Council from the Board, on behalf of itself and its partners, should be support for the general thrust of the Financing Growth report. DCL rates should be at least what is specified in Recommendation B1. Given an increase to this level, the proposed allocation of 41% of DCL revenues will greatly help the Board sustain its park provision objectives.

At the meeting, however, a number of concerns were raised with respect to the wording and possible impacts of three report recommendations. The issues identified are summarized below (with proposed amendments to these recommendations given in Appendix A):

*Recommendation B.4 and B.14.* The former recommendation proposes DCL relief, in whole or in part and at Council discretion, for non-profit facilities already approved for City Capital Grant, in the form of additional grant money to offset the DCL cost. The latter proposes that the City asks for a Charter amendment from the Provincial Government to permit DCL exemption for city-owned buildings.

There was general acceptance for the intent of both these Recommendations expressed at the Planning and Environment meeting. However, it was also noted that projects undertaken by our non-profit partners would seemingly not be eligible for consideration for DCL relief under B.4 simply because such facilities are located on parks and are city-owned when complete. Such projects would be covered by B.14 once a Charter change was effected, but the concern is for a limited number of projects currently underway which face the burden of paying the full DCL charge.

Affected projects would be few in number and their key attributes are as follows: (1) A non-profit society is initiating and constructing the facility rather than the Park Board, and (2) the society is raising the lion share of funds for this purpose, and imposition of a DCL is both a hardship and a disincentive against donor contributions.

The desire is not to change the proposed policies for DCL relief, but to encourage Council to consider a bridging strategy that would support affected Park Board non-profit partners until such time as the Charter amendment proposed in B.14 is brought into effect.

*Recommendation B.9:* This recommendation stipulates a pay-as-you-go approach to DCL expenditure “rather than borrowing.” The concern is that Park Board often has had to make property purchases beyond what could be accommodated with park-designated DCLs on hand or Capital Plan allocations. In order to do so, the Board has from time to time borrowed funds from the City’s Emerging Neighbourhoods Fund (ENF), with repayment from either DCLs or Capital.

The timely completion of some park land assemblies could be jeopardized if borrowing under such circumstances was disallowed. Capital expenditures on park land acquisition are unique in this regard: Once a land assembly is initiated, it is not advisable to forego any opportunity to make individual property purchases within the targeted assembly -- the next time the property comes on the market may be years hence.

The intent of Recommendation B.9 therefore needs clarification. Park Board is requesting that the ENF or similar mechanism will be retained so that there is an understood means by which financing can be accessed, if a situation warrants, for the timely acquisition of land for parks.

*Recommendation C.9:* This recommendation states that “amenities provided (through CACs) should serve the immediate site and/or (the) community in which the rezoning occurs.” There were questions raised at the Planning and Environment meeting as to how CACs generated in amenity rich areas should be allocated, noting that there should be flexibility in such circumstances to locate amenities, parks in particular, to areas where they are most needed.

The Planning and Environment Committee also discussed Recommendations G.1 and G.2 which are put forward in the Financing Growth report for Council consideration without a staff recommendation. These two recommendations put a choice before Council with respect to how inclusive the range of DCL eligibility should be. Recommendation G.1 would leave the eligibility for DCL funding as is, i.e., only for parks, childcare, replacement housing and engineering infrastructure. Recommendation G.2 would expand the list to include all City-owned facilities that provide public services and have growth costs, including Park Board recreation facilities such as community centres, rinks and pools.

The Committee concluded that the Park Board should advocate that Council approve Recommendation G.1 and not request extension of eligibility. The reasons for doing so are as follows:

- C Land is fundamental building block of the Parks system, for both public open space and recreation facilities. As a relatively young City, Vancouver is still being formed, and there are still opportunities to add to the park land inventory in anticipation of future needs.
- C Land acquisition is a much more significant investment than what is required (about 10% of overall cost) to subsequently develop a site for passive or active recreational uses.
- C By established Park Board policy, land acquisition is 15% of the Capital Plan, a level which is much less than the allocations for facility development and renewal, and which does not begin to address the park requirements generated by City population growth.
- C The growth cost component of recreation facility renewal (approximately \$25 million over 20 years) is a relatively minor proportion of the overall renewal cost estimates for community centres, rinks and pools (over \$100 million).
- C A wide range of other funding tools (e.g., Capital Plan, CACs, Grants) can be brought to bear to address facility renewal needs.
- C An expanded range of DCL eligibility would not increase the total amount of funding available, but divide it amongst more recipients. Ultimately the share received by Park Board would be reduced.

## SUMMARY

The implications of the City Financing Growth report were discussed with partner organizations of the Park Board at the June 3, 2003 meeting of the Parks Planning and Environment Committee. The Committee recommends that the Park Board be represented by a Commissioner at Council on June 10, 2003, when delegations are to be heard on this subject. The presentation to Council should convey the following:

- C General support for the proposed mechanisms and charges for dealing with future population growth;
- C The Board's concerns with and proposed amendments to Recommendations B.4, B.9 and C.9, as outlined in this report; and
- C The Board's preference for Recommendation G.1 over G.2, such that the range of DCL eligibility not be expanded, but remain as currently stipulated in the Vancouver Charter.

Prepared by:

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## Appendix A: Suggested Amendments to Financing Growth Recommendations

#	Recommendation	Proposed Amendment
<b>B1.</b>	<p>Increase DCL rates, to increase the proportion of growth costs recovered from new development:</p> <ul style="list-style-type: none"><li>Multi-family residential: From \$2.50/square foot (\$26.91/square metre) to \$5.00/square foot (\$53.82/square metre)</li><li>Commercial: From \$2.50/square foot (\$53.82/square metre) to \$5.00/square foot (\$21.52/square metre)</li><li>Industrial: From \$1.00/square foot (\$10.76/square metre) to \$2.00/square foot (\$21.52/square metre).</li></ul>	<p>B1: Insert after</p> <ul style="list-style-type: none"><li>“..(\$26.91/square metre) to <i>at least</i> \$5.00/square foot</li><li>“..(\$53.82/square metre) to <i>at least</i> \$5.00/square foot</li></ul>
<b>B4.</b>	<p>For non-profits, provide DCL relief, where considered necessary, to non-profit-owned facilities that are already approved for a Civic Capital Grant, with DCL relief in the form of additional grant money, to pay back some or all of their DCL.</p>	<p>B4(a) THAT Council request staff to develop a bridging strategy, until such time as Charter amendment permits exemption for City-own buildings, to provide DCL relief for current projects on park land initiated by non-profit societies, where the nonprofit has raised the majority of funds.</p>
<b>B14.</b>	<p>Request Charter amendments from the Provincial government, arising from this report, and summarized in Appendix A - generally to remove the DCL exemption for less than 4 residential units; <b>to permit exemptions for small additions, City-owned buildings</b>, and heritage transferred bonus density; to permit the City to use DCL revenue to help pay DCL system administration and implementation costs; and to provide more clarity for transportation definitions. And, following approval of any of these requests, staff to report back to Council for direction on follow-up work.</p>	
<b>B9.</b>	<p>Spend only DCL revenue that is available -- i.e., establish a pay-as-you-go policy for DCL expenditures for the next Capital Plan cycle, rather than borrowing, and review this approach based on experience.</p>	<p>B9(a): THAT Council maintain the Emerging Neighbourhood Fund within the PEF to realize land purchases for parks and housing, where necessary, in advance of sufficient DCL funds being available for this purpose.</p>

**C9.** As the purpose of CACs is to secure amenities through rezonings, and rezonings are localized changes to land use, the amenities provided should serve the immediate site and/or community in which the rezoning occurs. The specific amenity must be approved by City Council, and should be determined according to the guidelines provided in this report related to public input, Community Visions or other area or city-wide plans, and evaluation of a full range of City service needs.

**C.9:** Insert after "...related to public input," *the level of existing amenities in the neighbourhood,* "Community Visions..."