



Development Cost Levy Review Park Board Implications

Regular Park Board Meeting
Monday, June 19, 2017



To present the potential impact of the City of Vancouver's DCL Review to the Park Board.

- Summary
- Background
 - What are Development Cost Levies (DCLs)?
 - DCLs and other ways to fund growth
 - Park Board DCL collection and spending to date
- Planning
 - DCL Park Acquisition and development priorities
 - City of Vancouver's DCL review
- Impacts
 - Implications for Park Board

- Park Board spends \$10-20M DCLs annually.
- The City's DCL proposal funds up to \$36M DCLs annually.
- \$111M unallocated DCL funds in the Park Board account.
- City is proposing:
 - raising DCL rates
 - changing DCL allocations
- Park Board currently assessing needs and planning for the future:
 - e.g. VanPlay, People Parks and Dogs, Non-Motorized Boating Strategies
- 2019 - 2022 Capital Plan will reflect these updated priorities and greater resource needs.
- Parks' DCL share to be re-examined through the 10 year Strategic Outlook, and every 4 years through the Capital Plan process.



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What are DCLs?

- Charges imposed on development to fund growth-related capital projects
- Pays for new infrastructure and facilities to maintain service levels as city grows
- Principle is ‘growth pays for growth’ so that financial burden is not borne by existing tax/rate payers



- Summary
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Source: City of Vancouver website

Basic DCL Calculation



- Summary
- Background
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Source: City of Vancouver website

Recent DCL-funded Projects

- Summary
- Background
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Housing



Childcare



Parks



Transportation



Source: City of Vancouver website

What items do DCLs not pay for?

- DCLs only fund capital costs
 - No operating or maintenance activities
- Not all capital costs are eligible
 - Typically 'first round' capital related to expanding servicing capacity
- DCLs do not fund upgraded works needed for the existing population
- Nor do they fund new libraries, fire halls, police stations, recreation facilities, cultural and social facilities



HEMSON CITY OF VANCOUVER

- Summary
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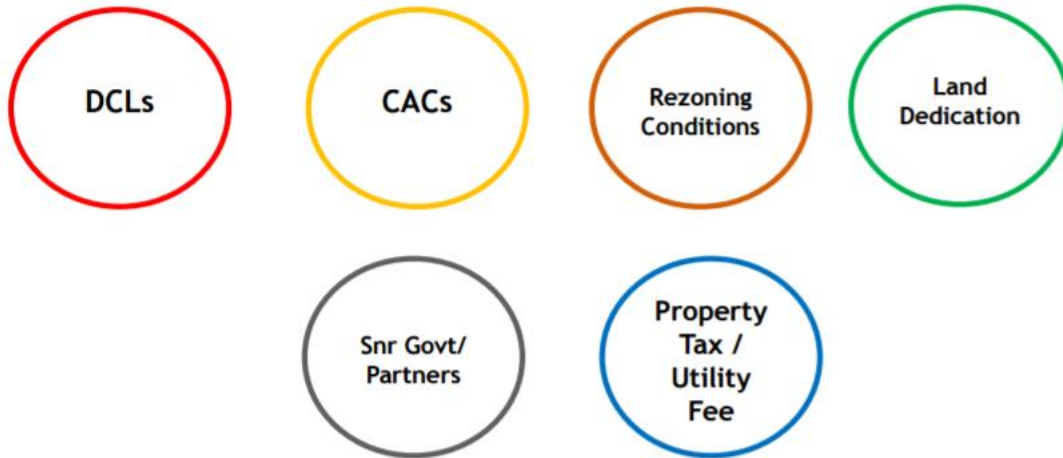
What projects have been completed using DCLs?

- Summary
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- Impacts



Source: City of Vancouver website

Growth Recovery Tools



- Summary
- Background
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- Impacts

Source: City of Vancouver website

Park Acquisition - Longstanding Priorities

- Securing waterfront access
- Neighbourhood deficiencies
 - Under 2.75 acres or 1.1ha per 1000 residents
 - Priority in lower income neighbourhoods
- Park networking / Park expansion and completion
- Environmental / Habitat protection and enhancement



Under Review in the Parks
and Recreation Services
Master Plan

- Summary
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Park Development - Longstanding Priorities

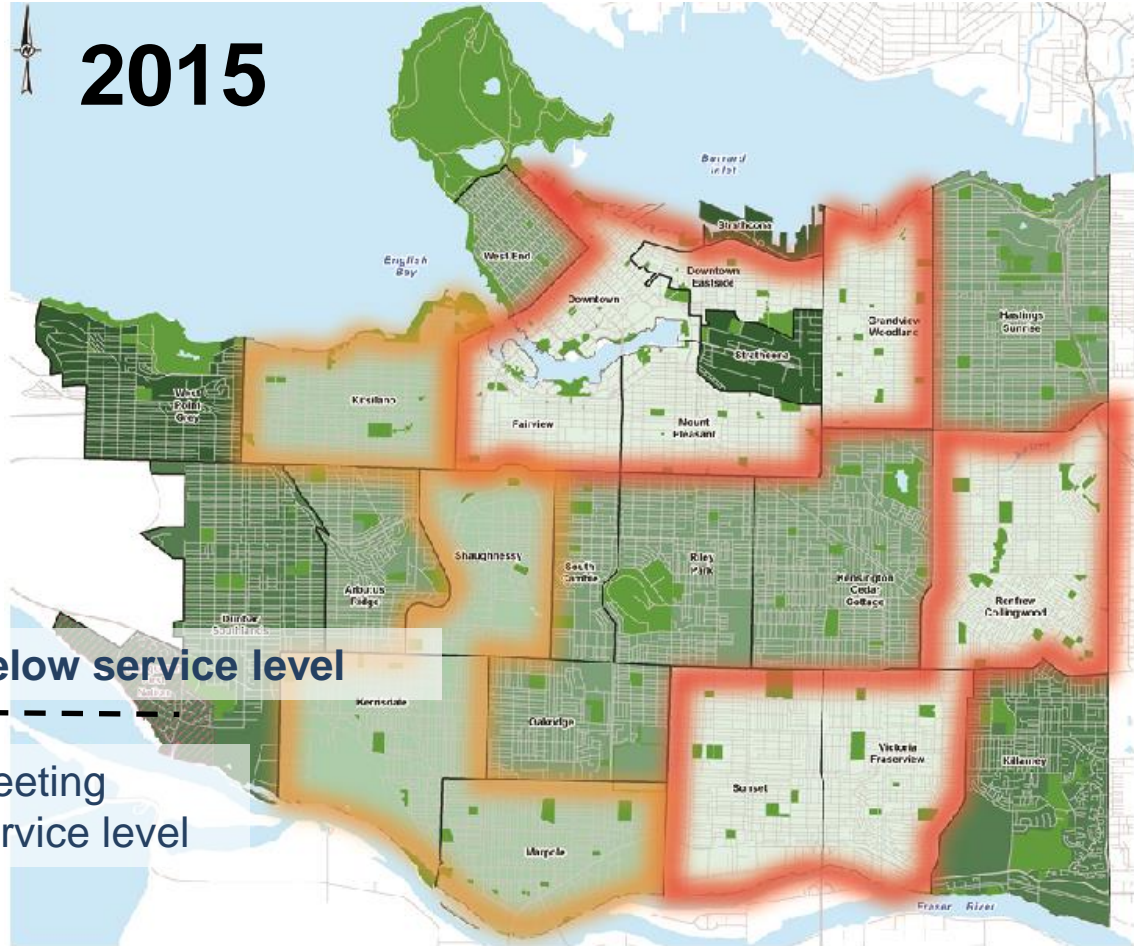
- City / Neighbourhood growth and Park renewals
- Delivery of Neighbourhood Plan obligations
- Sports fields and courts
- Washroom buildings
- New activity features (e.g. dog off-leash areas, water spray parks)



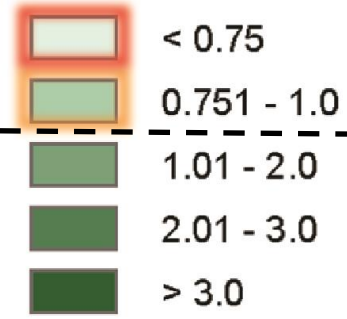
- Summary
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Metric: Hectares of Neighbourhood Parkland/1000 people

- 8 Very underserved neighbourhoods
- 4 Underserved neighbourhoods



2015



Below service level

Meeting service level

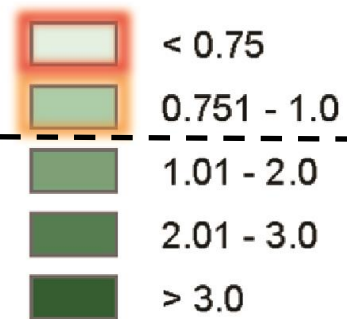
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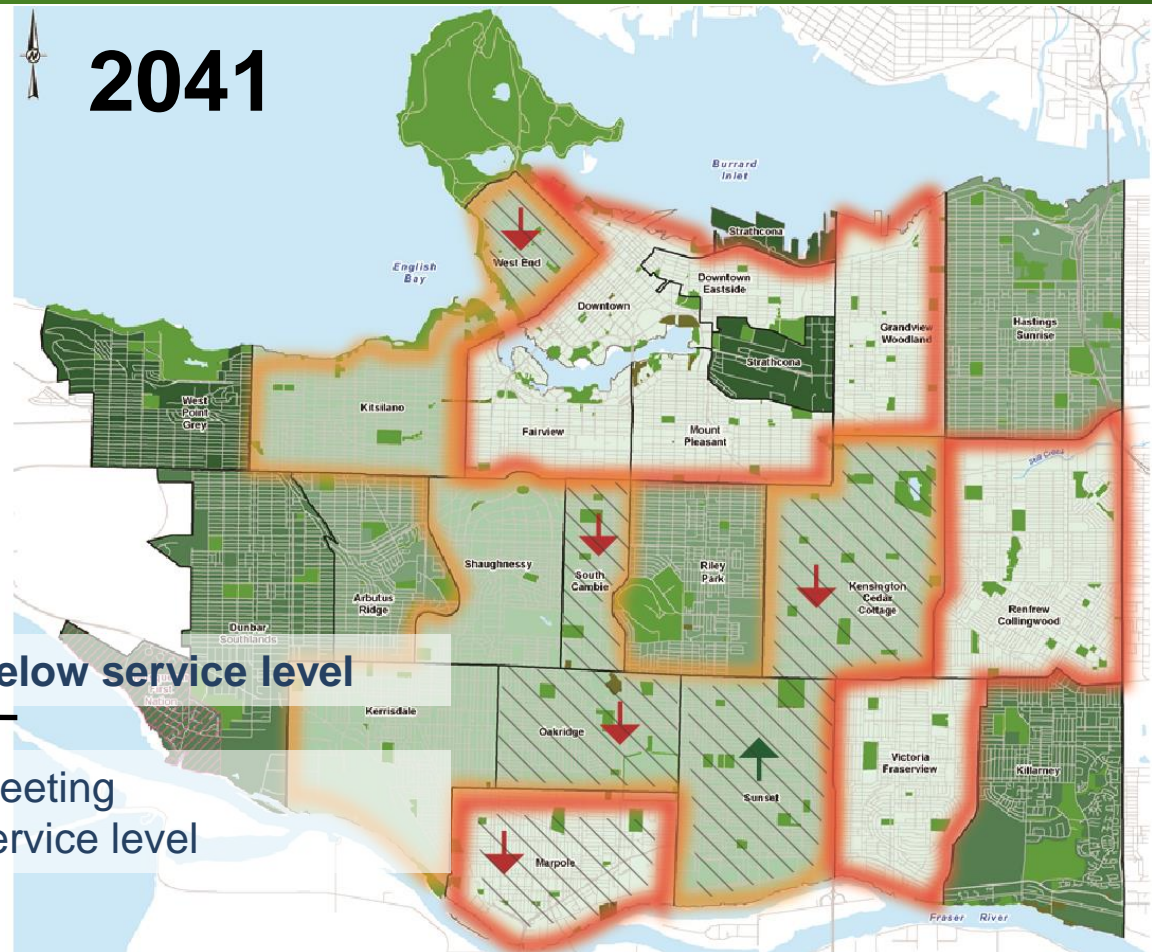
Areas of change since 2015

- ↑ Increase
- ↓ Decrease



Below service level

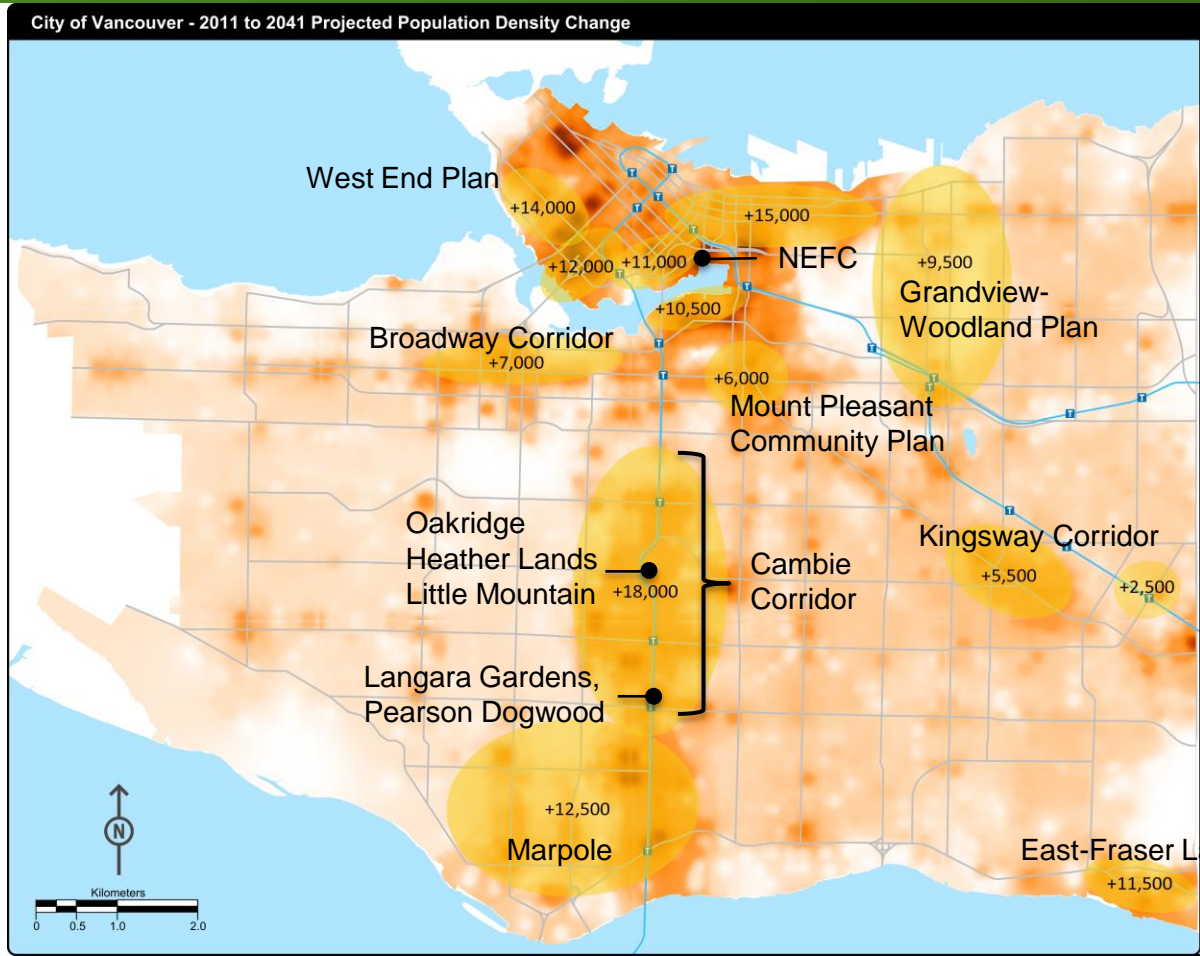
Meeting service level



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Population Growth Areas

- Population will increase in growth areas

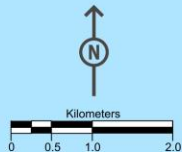


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LEGEND
Population Density
(Person per Hectare)

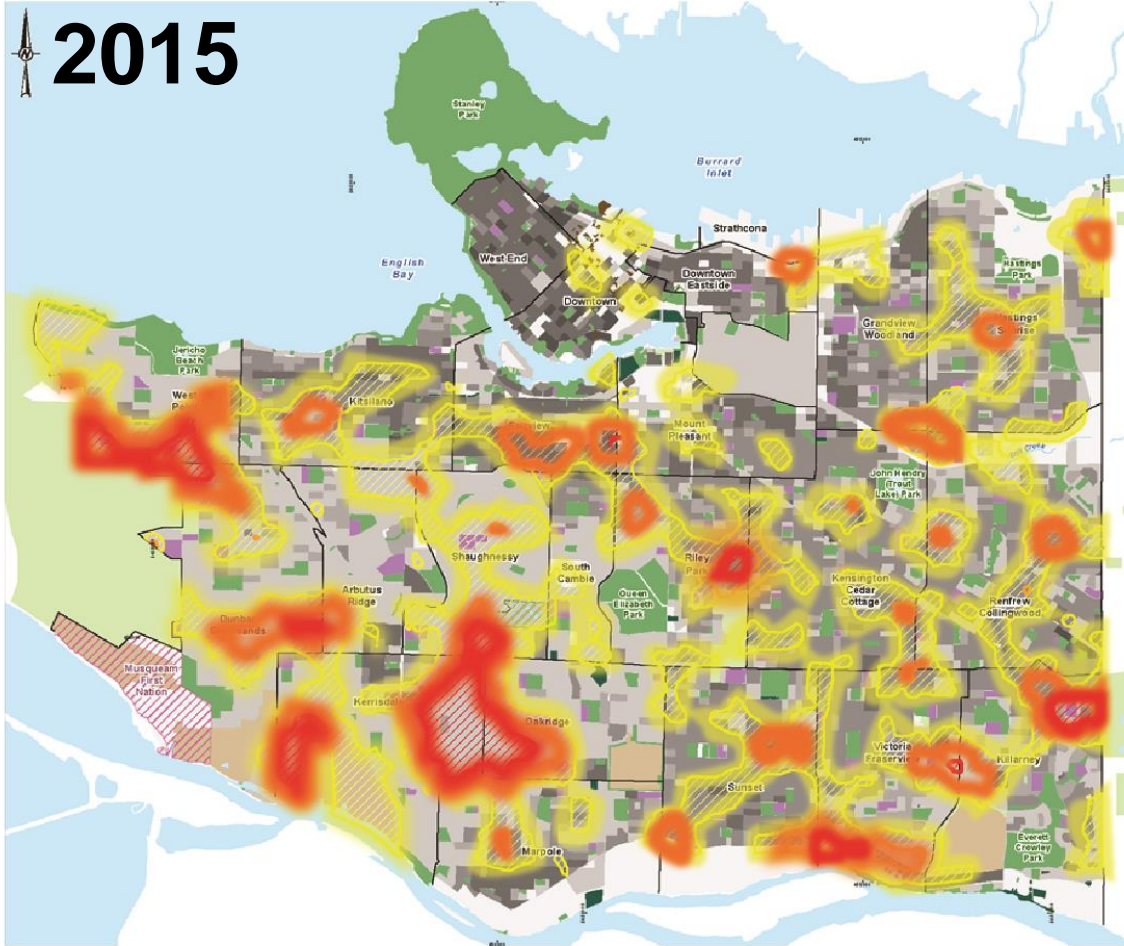


Source: Statistics Canada, 2011 Census,
City of Vancouver, Planning Data Group
Updated: July 28, 2016

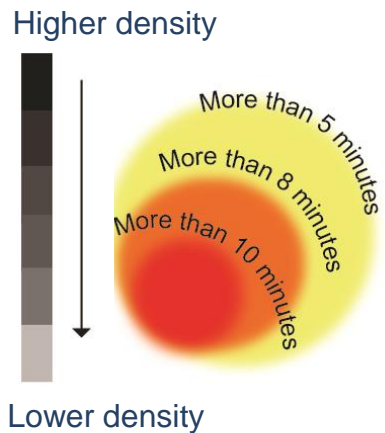


Metric: Walking Distance to Park and Population

- 64% of the City is less than 5 minutes away from a park



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*Complete mid-2018

**PEOPLE
PARKS &
DOGS**

**Non-
Motorized
Boating
Strategy**

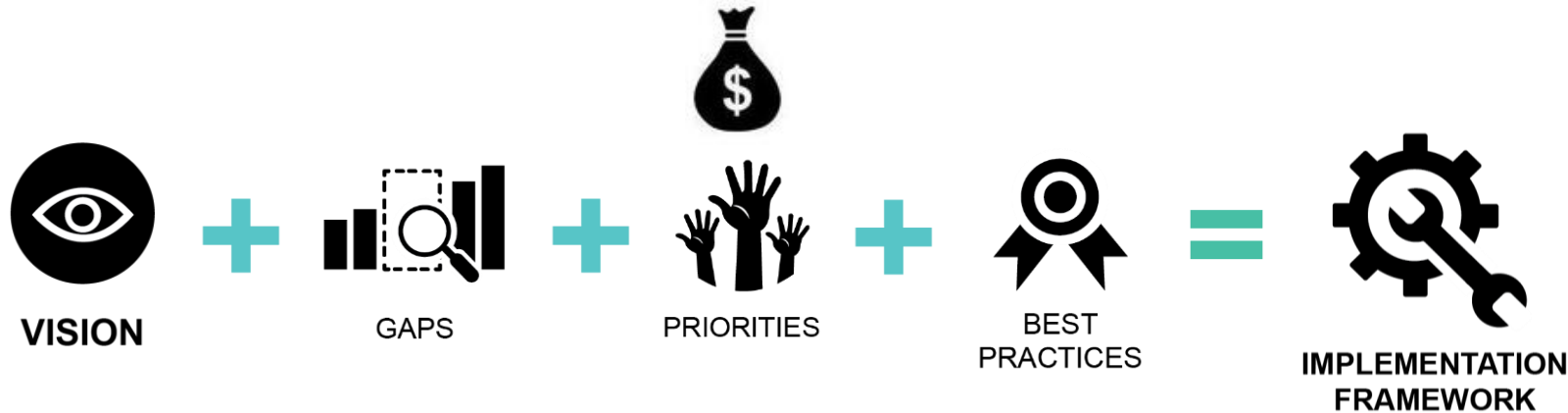
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- Guide development of parks and recreation services
- Analyze needs and existing services + growth patterns and future demographics
- Define optimum service levels + constraints and competing interests
- Define outcomes to reach Park Board Strategic Framework goals + City priorities

Master Planning Process



- Summary
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Interim High Level 10yr Parks Capital Projection - Acquisition

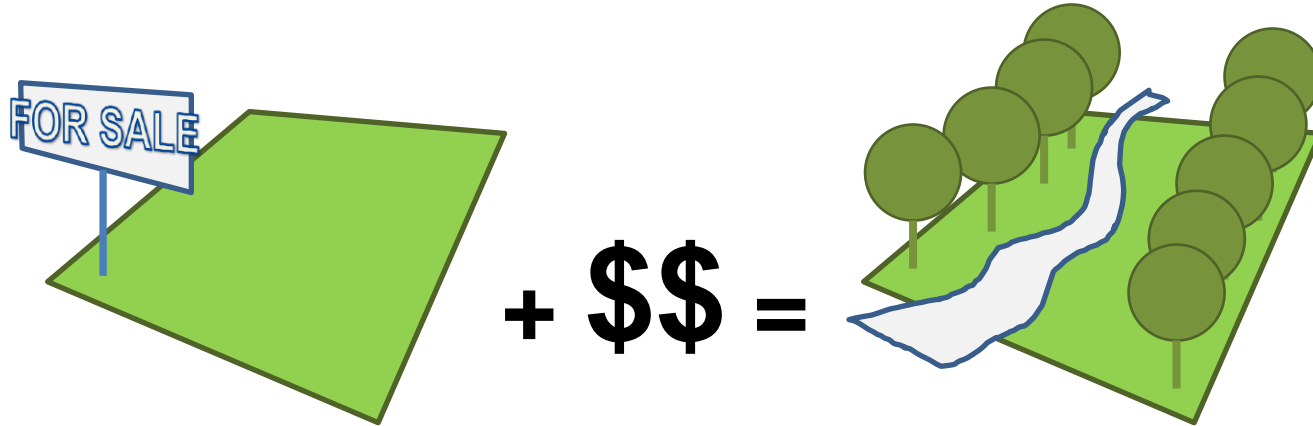


Park Acquisition Priorities		Example Sites	Costs*
New Park Acquisition	Waterfront Habitat	Fraser River sites China Creek & Renfrew Ravine expansion	\$322M
	Deficiencies	Fairview, Mount Pleasant, Grandview-Woodland	
	Consolidation	Memorial, Kingcrest	
	Networking	Arbutus Corridor, Fraser River	
Large Site Redevelopment – New Parks	Increases in Population	Pearson Dogwood, Langara Gardens, Oakridge, East Fraserlands, Little Mountain, Heather Lands	\$0 (developer contributions)

- Summary
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*Growth Related

In addition to *acquiring* land,
we still need to *develop* land into park...



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Park	Total cost to develop	Square foot cost to develop
Smithe & Richards	\$5-6M	\$6.25M-\$7.5M/ac
Lilian To	\$650k	\$1.9M/ac

Interim High Level 10yr Parks Capital Projection - Development



Park Development Priorities	Example Projects	*Costs
New Park Construction	Fraser River, Nicola and Alberni, Burrard Slopes, Main and 7th	\$56M
Large Site Redevelopment – New Parks	Pearson Dogwood, Langara Gardens, Oakridge, East Fraserlands, Little Mountain, Heather Lands	\$28M
Park Renewals	English Bay, Sunset Beach, John Hendry, Locarno	\$28M
Outdoor Recreation Assets	Playgrounds, Dog Off-Leash areas, Track and Field, Synthetic Turf, Field Houses, Skate Park	\$40M
Street Trees & Biodiversity	Street Trees, Daylighted streams, Pollinator gardens	\$19M
Seawall and Pathways	Cycling and pedestrian improvements, Universal access improvements	\$38M
Other Projects	Open spaces, plazas, Beaver Lake, Jericho Pier	\$20M
	Total	\$229M

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*Growth Related

Interim High Level 10yr Parks Capital Projection Total



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10yr Capital Projection (acquisitions)	\$322M
10yr Capital Projection (development)	+ \$229M

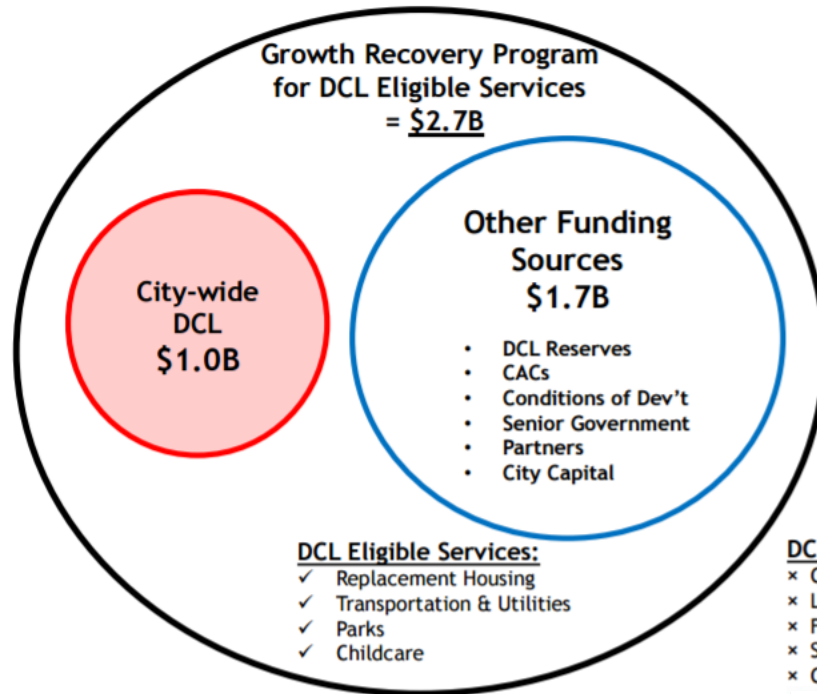
Projected Need = \$551M

Key Elements of DCL Update

- Increased growth & rising costs
- New rate categories to address new forms of residential and non-residential development
- Introduce Water, Sewer and Drainage (essential services to support growth).
- Updated DCL rates
- Increasing DCL relief for civic facilities & non-profits aligned with civic priorities
- Continued simplification of DCL system by removing older Downtown South DCL District

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Growth Recovery Program & Funding Tools for DCL Eligible Services (2017-2026)



- Summary
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DCL Non-Eligible Services:

- × Community Centres, rinks, pools
- × Libraries
- × Fire, Police
- × Social Service Facilities
- × Cultural Facilities

Source: City of Vancouver website

Overall Cost of Growth Program & DCL Recoverable Costs (2017-2026)

Service Category	Total Growth Cost (\$Millions)	DCL Recoverable Share (\$Millions)
Replacement Housing	\$1,000	\$357
Transportation	\$620	\$251
Park Acquisition & Development	\$550	\$184
Childcare	\$295	\$126
Utilities (Sewers, Waterworks, Drainage)	\$210	\$85
Total	\$2.7B	\$1B

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Source: City of Vancouver website

Park Board DCLs collected – Since 2007

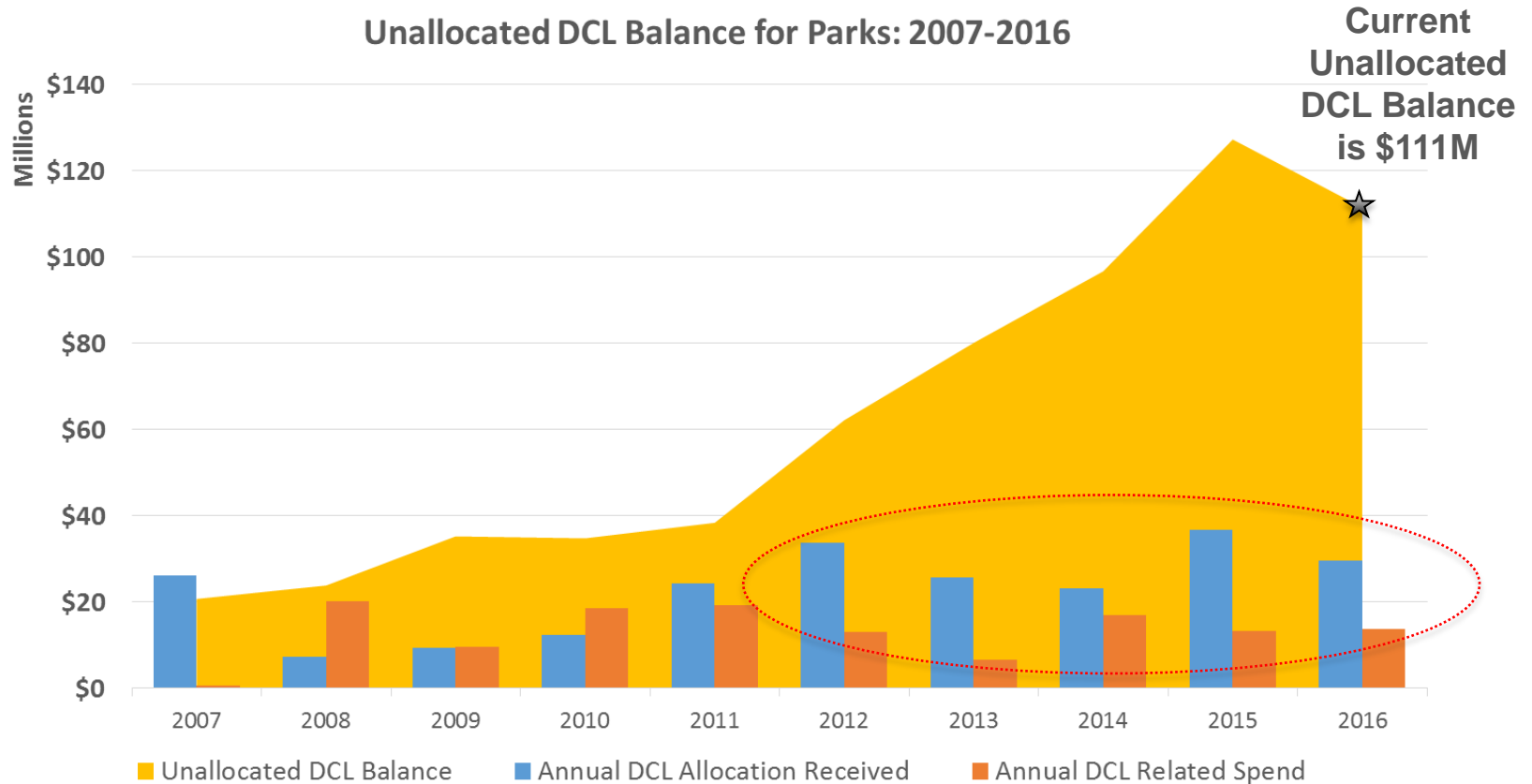


2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
\$ 26.2 M	\$ 7.4 M	\$ 9.4 M	\$ 12.4 M	\$ 24.3 M	\$ 33.7 M	\$ 25.8 M	\$ 23.2 M	\$ 36.8 M	\$ 29.7 M

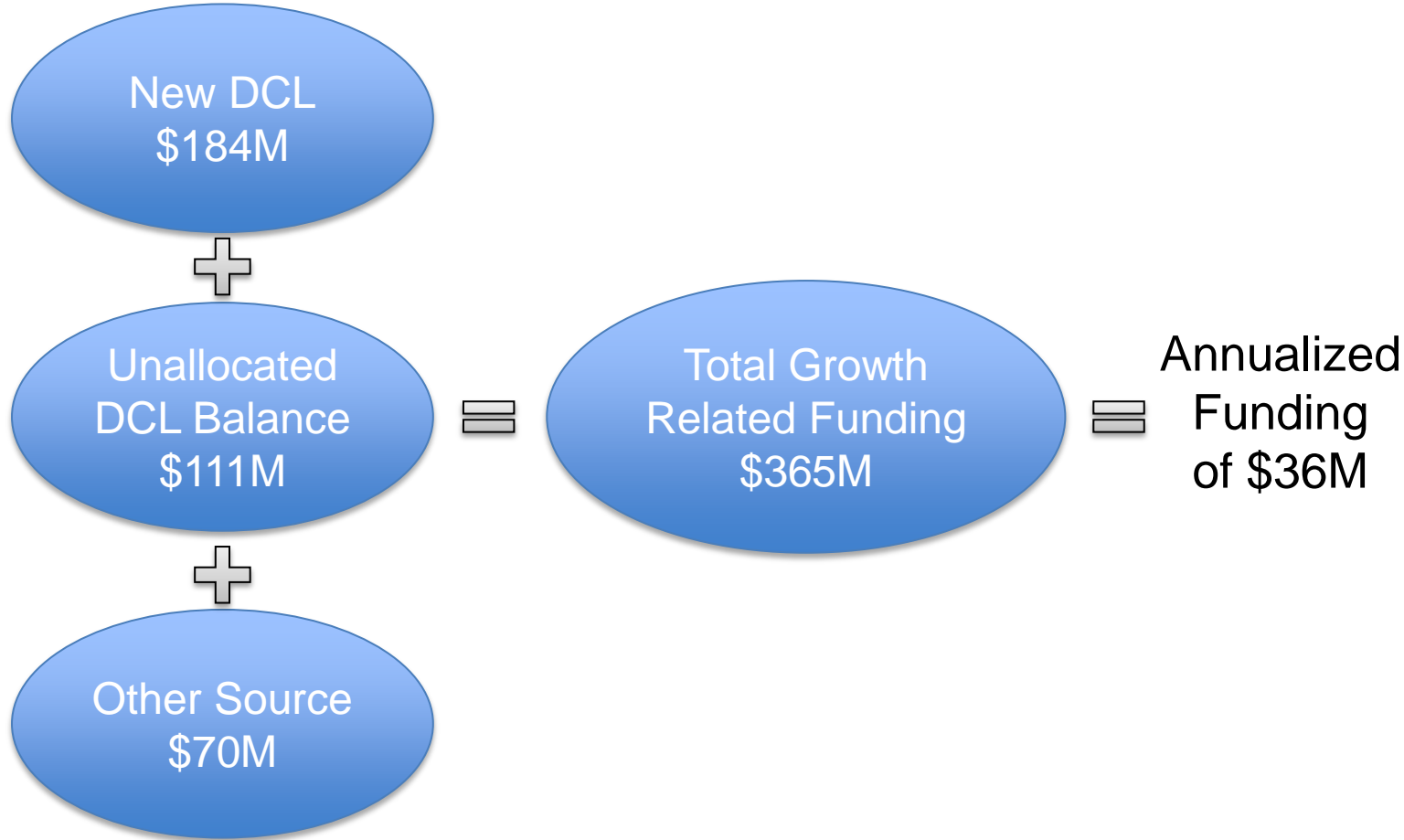
A total of \$229M of DCLs have been allocated to the Park Board since 2007.

Annual collection in most recent years ~\$25-35M due to increased development volume.

Park Board Unallocated DCL Balance



Park Board Projected 10 Year Funding (2017-2026)



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Park Board DCL Spend – Since 2007



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Land Acquisition	-	\$ 1.4 M	\$ 0.6 M	\$ 0.1 M	\$ 0.7 M	\$ 0.8 M	\$ 1.7 M	\$ 5.9 M	\$ 3.3 M	\$ 5.6 M
Park Development	\$ 0.6 M	\$ 18.9 M	\$ 8.9 M	\$ 18.4 M	\$ 18.6 M	\$ 12.3 M	\$ 4.9 M	\$ 11.0 M	\$ 10.1 M	\$ 8.2 M
TOTAL DCL	\$ 0.6 M	\$ 20.2 M	\$ 9.5 M	\$ 18.4 M	\$ 19.3 M	\$ 13.1 M	\$ 6.6 M	\$ 16.9 M	\$ 13.4 M	\$ 13.7 M

A total of \$132M of DCL related spend has been incurred since 2007, an average of \$13M per year.

- Based on current assumptions:
 - Projected funding provides \$36M annually for next 10 years
 - \$18M of new DCL will be allocated to Park Board each year
 - Draws against current reserve will occur only where annual spend exceeds \$18M
 - Historical spend ranged \$10-20M per year
- Key Variables of Concern to the Park Board
 - Approval of Rate increase
 - Actual Development Volume Delivery
 - Timing of Land Acquisitions & Land Value Appreciation



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THEREFORE BE IT RESOLVED

- A. THAT the Vancouver Board of Parks and Recreation direct staff to work with the City of Vancouver to identify options and solutions for maintaining investment in park acquisition and development; and
- B. THAT staff report back to the Board on available options prior to the July City Council meeting when Council will consider the DCL recommendation.

