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CITY OF KELOWNA

**MEMORANDUM**

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**Date:** November 4, 2008

**File No.:** 6430-01

**To:** City Manager

**From:** Director of Works and Utilities  
Director of Financial Services  
Director of Recreation, Parks & Cultural Services

**Subject:** 20-Year Servicing Plan and Financing Strategy (2008 Update)

Report Prepared by: J. Wunderlich – Financial Analyst

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**RECOMMENDATION:**

THAT Council adopt the revised 20 Year Servicing Plan and Financing Strategy, for the infrastructure financing plan for new growth within the City of Kelowna as projected in the Official Community Plan to the year 2020;

AND THAT the necessary bylaw changes be prepared for Council consideration;

AND FURTHER THAT Council receive staff information regarding the public and stakeholder consultation process including the 'Public and Stakeholder Input' document dated November 4, 2008.

**BACKGROUND:**

On October 6, 2008, Council received the draft 20 Year Servicing Plan and Financing Strategy document and authorized staff to seek stakeholder input into the draft plan and report back following that feedback. The process for obtaining feedback included:

- Public Presentation of the Plan
  - An email advising of the draft report going to Council and of 2 presentations of the Plan, on October 15th, 2008 and October 21<sup>st</sup>, 2008 was forwarded to the Urban Development Institute (UDI), the Canadian Home Builders Association, UBCO and Kelowna Neighbourhood Associations.
  - Advertisements for the general public in the Daily Courier and the Capital News advising of the October 15th and 21st presentations.
  - The presentations were attended by approximately 45 people.

Comment sheets were available at the public presentation and one was completed. At the public presentation staff requested that all submissions, questions and comments be received by November 3, 2008. Submissions were received from the Urban Development Institute – Kelowna Chapter, CHBA, UBCO, a Resident Association as well as from an individual from the development community.



Actual submissions along with staff responses are included with the Public and Stakeholder Input document.

After discussion with stakeholders, and considering the current economic situation, staff are recommending a move away from the traditional approach to updating the development cost charge rates. Since the updated costs were prepared in June/July of this year the construction industry has taken a sudden downturn and market prices appear to be dropping significantly. The recommended change now considers only the actual cost of parkland acquired and only those Roads projects for which there is updated detail design/quantities and/or actual costs for completed projects. The remaining project unit rates will remain at the current levels (2007 update). Water, Sewer Trunks and Sewer Treatment remain at current program levels. This is moving away from the mathematical process normally followed and although that is a consistent and fundamentally solid method it may not be the best approach at this time. The recommendation avoids setting rates at what appears to be a peak in market prices at a time when costs are very volatile. This change in method also recognizes that rates should not be reduced to artificially low market prices next year if the construction industry has perhaps over corrected. There was general agreement with the Urban Development Institute members that avoiding DCC rate setting based on peaks and valleys of market prices would be a benefit to all parties.

The revised total costs of providing this infrastructure in the 2020 Plan update is \$916.1 million which is a decrease of \$67.4 M. from the \$983.5 million in the initial draft presented to Council in October (\$905.2 Million in the current program). For a single family residential unit in the City Centre this will mean a DCC rate increase of \$333 or 1.6%.

Summary Cost Sharing Models are included as Exhibit "A" to "E". A summary of existing and revised Development Cost Charge rates by growth area of the City are included for 4 development types in Schedules 1-4. Schedules 5 show the updated DCC rates for the various service areas.

City staff are pleased with the cooperation received from the public and stakeholders in completing the 20 Year Servicing Plan and Financing Strategy update. We wish to thank all who took the time to review, comment and discuss the Plan with the participating departments.

#### **ALTERNATE RECOMMENDATION:**

That Council defer any change to the current DCC program and request staff to review prices again in June, 2009 to determine if market prices have changed sufficiently to warrant an update to the 20 Year Servicing Plan and Financing Strategy.

#### **INTERNAL CIRCULATION TO:**

Works & Utilities Department  
Recreation, Parks and Cultural Services Department  
Community Development and Real Estate Division

#### **EXISTING POLICY:**

20 Servicing Plan and Financing Strategy

#### **FINANCIAL/BUDGETARY CONSIDERATIONS:**

20 Servicing Plan and Financing Strategy

Considerations that were not applicable to this report:

**LEGAL/STATUTORY AUTHORITY:**


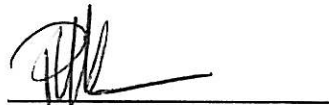
**LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:**

**PERSONNEL IMPLICATIONS:**

**TECHNICAL REQUIREMENTS:**

**EXTERNAL AGENCY/PUBLIC COMMENTS:**

Submitted by:

  
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John Vos  
\_\_\_\_\_  
Paul Macklem  
\_\_\_\_\_  
David Graham

Attachments



## EXHIBIT "A" - ARTERIAL ROADS

DC - under construction CPLT - complete MC/Date - mostly complete/date to complete PC/Date - partially complete/date to complete			(2000 Dollars X 1000)							DCC SECTOR ALLOCATIONS							I COMMON
Target	NAME	LOCATION	TOTAL CAPITAL COSTS	By Develp'r	Highways Assist	MOTII Max Lmt 150/yr	NET REMAIN CAP COSTS	By TAX'N	NET FOR DCC BASED CALC'a	A S.E. Kelowna	B South Shisano	C NE of Inner City	D North of Hwy 33	F South of Hwy 33	E North of Inner City		
		Corework Table							22,458	553	5,701	701	1,000	801	5,161	22,458	
Q2-4	A	Gulley 2	Spiers to Hart	1,527.0			1,527.0		1,527.0	1,527.0							
Q2	A	Hollywd 2	East Kelowna Road - Springfield	4,454.6			4,454.6		4,454.0	4,454.0							
Q2	A	Hollywd 2b	Mission Creek - Crossing	6,024.4			6,024.4		6,024.4	6,024.4							
Q2	A	McCulloch	Various	1,605.0			1,605.0		1,605.0	1,605.0							
			13,611.9				13,611.9		13,611.0	13,611.9							
MCQ2	B	Barnaby 1	Lakeshore to Gordon	2,587.6			2,587.6		2,587.0		2,587.6						
CPLT	B	Chute Lake 1	Frost Rd to South Perimeter Rd	901.5			901.5		901.5		901.5						
Q2	B	Chute Lake 2	Barnaby Rd to Frost Rd	1,903.4			1,903.4		1,903.4	1,903.4							
MCQ2	B	Frost 1	Chute Lake Road - Kildeer Road	813.6			813.6		813.0		813.6						
Q2	B	Frost 1b	Frost - Frost														
MCQ2	B	Frost 2	Kildeer to Southridge	887.6			887.6		887.6		887.0						
CPLT	B	Frost 3	Southridge to Gordon Dr.	574.7			574.7		574.7		574.7						
PC-2024	B	Gordon 1	Perimeter to Barnaby/Gordon Inters	5,300.9			5,300.9		5,300.9		5,300.0						
MCQ2	B	Kildeer	Chute Lake Road - Frost Road	575.4			575.4		575.4		575.4						
MCQ2	B	Lakshir 1A	Vintage Terrace Rd to Barnaby Rd	644.4			644.4		644.4		644.4						
Q4	B	Lakshir 1B (4L)	Vintage Terrace Rd to Barnaby Rd	2,966.7			2,966.7		2,966.7		2,966.7						
Q3	B	S. Perimeter 1	Gordon Dr to Stewart 1	8,606.2	109.1		8,607.1		8,607.1		8,607.1						
MCQ2	B	S. Per. 2	Lebanon Creek to Chute 1	3,108.1			3,108.1		3,108.1		3,108.1						
CPLT	B	Stewart Rd 1 & 2	Perimeter Rd to Crawford	60.0	8.2		60.0		60.0		60.0						
			29,130.1		117.4		29,021.8		29,021.5		29,021.8						
CPLT	B	Casorso 1	Benvenuto Road - Swamp	2,058.8			1,858.3	230.5	1,858.3		1,040.6					617.6	
CPLT	B	Dehart 1	Lakeshore Road - Gordon Drive	454.0			454.0		454.0		454.0						
Q3	B	Dehart 2	Lakeshore Road - Gordon Drive	1,068.0			1,367.2	300.8	1,367.2		1,367.2						
Q2	B	Dehart 3	Gordon Rd to Swamp	3,720.2			3,079.6	646.6	3,079.0		3,079.6						
Q2	B	Gordon 2b	Crossing - Bellevue Creek	347.2			347.2		347.2		347.2						
CPLT	B	Gordon 2	Barnaby/Gordon Intersect to Dehart	4,038.7	318.0		3,124.6	506.1	3,124.6		3,124.0						
CPLT	B	Gordon 3	Dehart Rd to Old Meadows Rd	4,409.6			4,039.2	379.4	4,039.2		4,039.2						
Q3	B	Lakshir 1C (4L)	Dehart Rd to Vintage Terrace	4,355.1	40.0		3,807.6	507.5	3,807.6		3,807.6						
Q3	B	Lakshir 1C (Bridge)	Crossing - Bellevue Creek	1,379.8			1,379.8		1,379.8		1,379.8						
Q4	B	Lakshir 2 (4L)	Old Meadows to Dehart	4,129.8	20.0		3,285.0	624.8	3,285.0		3,285.0						
Q4	B	OldMws (4L)	Gordon Drive - Lakeshore Road	1,472.6			1,330.9	141.8	1,330.9		1,330.9						
Q3	B	Stewart Rd 3	Crawford Rd to Swamp	9,032.3			9,032.3		9,032.3		9,032.3						
CPLT	B	Swamp 1	Dehart Rd to Casorso	5,967.1			2,237.6	3,729.4	2,237.6		1,760.1					447.5	
			43,070.0		378.0		35,344.1	7,347.9	35,344.1		34,078.9					1,265.2	
CPLT	C	McCurdy 4	Craig Road - Tower Ranch	4,848.5			4,848.5		4,848.5		4,848.5						
MCQ2	D	Gallagher 3	Highway 33 - Treetop Road	4,049.7	3,479.8		570.1		570.1				570.1				
Q2	D	Lone Pine	Highway 33 - 500m east	3,891.7			3,891.7		3,891.7				3,891.7				
			7,941.4	3,479.8			4,461.8		4,461.6				4,461.8				
Q2	F	Gallagher 1	Existing south end - Highway 33	10,434.7	9,824.7		610.0		610.0				610.0				
Q2	F	Gallagher 1b	Creek - Crossing														
			10,434.7	9,824.7			610.0		610.0				610.0				
Q2	D,F	Highway 33	McKenzie - Gallagher	23,722.3		11,500.0	11,074.5	547.8	11,074.5			4,957.0	3,974.5			2,743.0	
Q2	E	Airport	Hollywood Road - Highway 97	1,443.0	1,443.0												
Q4	E	Beaver Lake Rd	City Limits - East Connector	3,165.3	372.1		2.0	2,790.3	2.0						2.0		
Q2-3	E	Hollywd 7	Sexsmith Road - Appaloosa	3,568.0			3,439.0	127.9	3,439.0					2,579.2		859.7	
Q2-4	E	Hollywd 8	Lougheed - Lochrem	15,932.7	9,202.0		4,761.3	1,068.5	4,761.3					3,571.0		1,190.3	
Q3-4	E	McKinlay 1	Glenmore Road - Highway 97	12,554.1			4,707.8	7,846.3	4,707.8					4,707.8			
CPLT	E	UBC Flyover	Highwy 97/Hlywd Rd/Univrsity Wy	11,236.4	4,140.0	3,360.2	3,711.5	24.6	3,711.5					2,783.6		927.0	
			46,999.0	15,158.6	3,360.2		16,622.5	11,857.7	16,622.5					13,644.5		2,077.0	
Q2	I	Begbie Road	Glenmore Highlands - Glenmore Rd	2,508.1	2,508.1		0.0	0.0	0.0							0.0	
Q3	I	Benvenuto 1	Casorso Road - KLO Road	6,827.7			5,708.0	1,020.4	5,697.3							5,697.3	
CPLT	I	Benvenuto 2	Cooper Road - Springfield Avenue	3,637.0		230.0	2,470.2	967.8	2,439.2							2,439.2	
Q3	I	Bernard 2	Richmond Street - Burtch Road	1,420.3			1,260.7	181.4	1,238.9							1,238.9	
Q3	I	Burtch 1	Benvenuto Road - KLO Road	1,234.0			1,148.0	105.3	1,128.7							1,128.7	
Q3	I	Burtch 2	KLO Road - Byrns Road	5,101.7	588.7		3,601.3	885.5	3,627.5							3,627.6	
Q4	I	Burtch 4	Sutherland Road - Highway 97	1,288.8			1,209.7	98.1	1,188.8							1,188.8	
Q2	I	Burtch 5	Highway 97 - Kelgen	295.3	41.7		55.3	109.3	54.4							54.4	
Q2	I	Clement 1	Ellis - Gordon	7,082.1	1,333.5		4,107.9	1,623.2	4,125.3							4,125.3	
CPLT	I	Clifton 1	MacLeay - Clifton (existing)	2,554.6	600.0		1,748.4	251.5	1,703.1							1,703.1	
CPLT	I	COB A	Graham - Cerise	8,122.9			3,343.4	4,837.4	3,285.6							3,285.6	
CPLT	I	COB 1	Cerise - Spall	12,863.5			4,360.3	8,503.8	4,293.8							4,293.8	
Q2	I	COB 2	Spall Road - Highway 33	51,621.2			50,759.7	1,739.8	49,882.4							49,882.4	
Q3	I	COB 3	Highway 33 - McCurdy Road	11,712.5	5,360.8		5,792.9	649.9	5,692.0							5,692.0	
CPLT	I	Enterprise 1	Banks Road - Leathhead Road	4,162.6	650.0	1,840.5	801.2	637.4	834.7							834.7	
Q2-3	I	Ethel 2	Springfield - Lawson	7,541.7	578.2		5,960.6	1,101.6	5,863.7							5,863.7	
CPLT	I	Glenmore 1	High Road - Dallas	5,649.0	414.0		4,122.3	1,159.1	4,074.9							4,074.9	
Q2-3	I	Glenmore 2	Dallas Road - Union Road	8,111.4	4,643.8		3,245.3	278.4	3,189.2							3,189.2	
Q3	I	Glenmore 3	Union Road - Scenic Road	5,111.7			4,930.5	266.4	4,645.3							4,645.3	
Q2	I	Gordon 4	Old Meadows Rd - Mission Creek	3,087.7	1,706.9		159.9	1,206.7	154.1							154.1	
Q2	I	Gordon 5	Mission Creek - Casorso	5,611.9	190.8		5,160.3	349.9	5,071.1							5,071.1	
Q2	I	Gordon 6	Casorso Road - Lanfranco Road	2,749.3	485.4		1,606.3	685.3	1,578.6							1,578.6	
Q2	I	Gordon 5B	Mission Creek Crossing	6,132.8			4,007.8	2,194.3	3,938.5							3,938.5	
MCQ2	I	Gulsachan 2	Gordon Drive - Burtch Road	1,019.6	724.3		102.0	795.0	100.3							100.3	
Q2	I	High 1	North Connector - Mountain Drive	5,479.4			5,270.5	291.1	5,188.2							5,188.2	
CPLT	I	High 2	Mountain Drive - Lynwood Crescent	3,451.0	566.1		2,834.2	99.0	2,785.2							2,785.2	
Q3	I	Hollywd 3	McCurdy Road - Stremel	2,103.5			1,700.4	426.5	1,678.0							1,678.0	
Q3	I	Hollywd 4	Stremel - Highway 97	2,565.8	320.7		86.2	2,171.1	65.0							65.0	
Q3	I	Hollywd 4b	Francis Creek - Crossing	14.9			10.3	4.6	10.1							10.1	
Q2-3	I	Hollywd 5	Highway 97 - Cambria	2,355.2	331.3		1,492.1	557.6	1,468.4							1,468.4	
Q2-3	I	Hollywd 5b	Mill Creek - Crossing	893.8			614.0	290.4	603.4							603.4	
Q2-3	I	Hollywd 6	extg. South end - Sexsmith Road	1,061.3	169.0		73.9	756.6	72.6							72.6	
PC/Q2	I	Hwy 33 1	COB - Highway 97	13,309.9	400.0	8,455.0	6,455.0	111.6	6,343.4							6,343.4	



CPLT - complete  
MC/Date - mostly complete/date to complete  
PC/Date - partially complete/date to complete

CPLT - complete					NON DCC REVENUE SOURCES										DCC SECTOR ALLOCATIONS									
MC/Data - mostly complete/date to complete					TOTAL CAPITAL COSTS						MET FOR DCC BASED CALC's								I COMMON					
PC/Data - partially complete/date to complete						By Dev't	Highways Assist	MOTH Max Lmt 150/Yr	NET REMAIN CAP COSTS	By TAX'N		A Kilewa S.E.	B South Mlindau	C NE of Inner City	D North of Hwy 33	F South of Hwy 33	E North of Inner City							
Target	Route	NAME	LOCATION	Description																				
Owner	Route	NAME	LOCATION	Description																				
				Growth Value																				
Q2	I	Hwy 07 1	Gordon Drive - Highway 33	UA04B	13,844.9		8,014.2		1,087.0	3,272.0		22,458	553	3,791	781	1,008	881	2,161	22,458					
Q2	I	Hwy 07 2	Highway 33 - Sexsmith	UA04L	11,824.5	3,445.5	3,889.5		1,211.8	3,288.3									1,057.8					
CPLT	I	Hwy Link-Ellis	Ellis/Hwy 07 Intersection	UA04L	251.0				251.9	4.4									1,201.2					
Q2	I	Hwy Link-Gordon	Sutherland - Bernard	UA04L	5,850.4				5,022.7	333.8									247.5					
CPLT	I	Hwy Link-Pand 3	Sutherland - Lawrence	UA04L	10,203.3		4,000.0		11,780.6	626.4									5,525.6					
CPLT	I	Hwy Link-Pand 3B	Mill Creek Bridge	UA04L															11,577.0					
CPLT	I	Hwy Link-Richter	Sutherland - Bernard	UA04L	5,884.7				5,884.7	101.7														
CPLT	I	KLO	Gordon Drive - Benvenuto Road	UA04L	0,504.5		50.5		3,983.2	2,598.6									5,783.0					
Q2	I	Lkshore 3	Richter Street - Old Meadows Road	UA04L	25,840.3	3,674.7			17,855.3	4,320.0									3,855.5					
Q2	I	Lkshore 3b	Mission Creek - Crossing	UA04L	5,450.0	397.1			4,558.0	578.8									17,540.7					
Q2	I	Lkshore 3c	Wilson Creek - Crossing	UA04L	835.9				835.9	11.0									4,480.1					
Q2	I	Lkshore 4	Lanfranco Road - Richter Street	UA04L	1,109.9	130.3			888.4	383.2									824.9					
Q4	I	McCurdy 1	Daworth - NEC	RU04L	5,310.0	830.3			3,977.7	476.7									688.4					
PC/Q2	I	McCurdy 2	NEC - Highway 07	RU04L	4,281.7	1,013.1			2,384.1	305.7									3,908.9					
Q4	I	McCurdy 2b	Mill Creek - Crossing	UA04L	1,489.8				1,023.4	483.9									2,342.0					
Q4	I	McCurdy 3	Highway 07 - Hollywood Road	UA04L	5,980.2				4,862.4	1,210.0									1,095.7					
PC/Q2	I	Pandosy 1	Raymer - Royal	UA04L	3,220.1				2,581.9	891.6									4,778.4					
Q2	I	Pandosy 2	Royal - Sutherland	UA04L	3,158.6				2,480.1	715.6									2,537.3					
Q1-4	I	Ridge	Cara Glen Way - Sexsmith Road	UA04L	20,582.0	20,582.0													2,443.1					
Q2	I	Rio 1	Cifton Road - Highlands	UC04L	1,198.8		1,198.8																	
Q2	I	Rio 2	Highlands - Internal Road C1	UC04L	1,573.1		1,573.1																	
Q4	I	Rutland 1	Leathhead Road - Cornish Road	UA04L	11,964.1	742.1			6,349.0	4,681.0									8,240.1					
Q2	I	Rutland 2	Cornish Road - Old Vernon Road	UA04L	7,595.0	1,598.8			3,596.2	2,462.4									3,534.1					
Q2	I	Sexsmith 1	Ridge Road - Millard Road	UA04L	5,657.4	5,957.4			0.0	0.0									6,240.1					
Q2	I	Sexsmith 2	Glenmore old - Glenmore Bypass	RU04L	828.7	252.8			29.0	547.4									20.5					
Q2	I	Sexsmith 3	Glenmore Bypass - Valley Road	RU04L	2,555.2	1,022.4			1,127.6	424.7									8,707.7					
Q1-4	I	Sexsmith 4	Valley - Longhill	RU04L	8,843.3				8,825.7	2,135.7									6,059.6					
Q2	I	Sexsmith 5	Longhill - Rutland Road	RU04L	12,213.5	1,215.5			8,201.4	2,938.4									5,521.3					
Q3	I	Springfield 1	Richter Street - Ethel Street	UA04L	6,141.8				5,618.4	620.5									3,045.0					
CPLT	I	Springfield 2	Ziprick Road - Hollywood Road	UA04L	3,640.1	0.9			3,069.5	591.2									7,192.1					
Q3	I	Springfield 3	Hollywood Road - Rutland Road	UA04L	8,332.1				7,318.6	1,140.0									250,754.1					
					405,386.0	60,522.2	25,329.2		248,053.0	69,767.0														

<b>Residential 1:</b>	<b>Sector</b>	<b>16,353</b>	<b>14,568</b>	<b>5,330</b>	<b>7,750</b>	<b>4,502</b>	<b>5,027</b>
	<b>Common</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>
	<b>Total Roads</b>	<b>26,520</b>	<b>23,743</b>	<b>14,505</b>	<b>16,032</b>	<b>13,678</b>	<b>14,203</b>
<b>Residential 2:</b>	<b>Sector</b>	<b>13,082</b>	<b>11,054</b>	<b>4,264</b>	<b>6,205</b>	<b>3,602</b>	<b>4,022</b>
	<b>Common</b>	<b>7,341</b>	<b>7,341</b>	<b>7,341</b>	<b>7,341</b>	<b>7,341</b>	<b>7,341</b>
	<b>Total Roads</b>	<b>20,423</b>	<b>18,995</b>	<b>11,604</b>	<b>13,546</b>	<b>10,942</b>	<b>11,362</b>
<b>Residential 3:</b>	<b>Sector</b>	<b>8,894</b>	<b>8,012</b>	<b>2,931</b>	<b>4,266</b>	<b>2,476</b>	<b>2,765</b>
	<b>Common</b>	<b>5,047</b>	<b>5,047</b>	<b>5,047</b>	<b>5,047</b>	<b>5,047</b>	<b>5,047</b>
	<b>Total Roads</b>	<b>14,041</b>	<b>13,059</b>	<b>7,978</b>	<b>9,313</b>	<b>7,523</b>	<b>7,811</b>
<b>Residential 4:</b>	<b>Sector</b>	<b>8,503</b>	<b>7,575</b>	<b>2,771</b>	<b>4,033</b>	<b>2,341</b>	<b>2,614</b>
	<b>Common</b>	<b>4,771</b>	<b>4,771</b>	<b>4,771</b>	<b>4,771</b>	<b>4,771</b>	<b>4,771</b>
	<b>Total Roads</b>	<b>13,275</b>	<b>12,346</b>	<b>7,543</b>	<b>8,805</b>	<b>7,112</b>	<b>7,385</b>
<b>Residential 5 - per 800 sq. ft.:</b>	<b>Sector</b>	<b>0,541</b>	<b>5,827</b>	<b>2,132</b>	<b>3,103</b>	<b>1,801</b>	<b>2,011</b>
	<b>Common</b>	<b>3,670</b>	<b>3,670</b>	<b>3,670</b>	<b>3,670</b>	<b>3,670</b>	<b>3,670</b>
	<b>Total Roads</b>	<b>10,211</b>	<b>9,407</b>	<b>5,802</b>	<b>6,773</b>	<b>5,471</b>	<b>5,681</b>
<b>Commercial - Per 1,000 Sq. Ft.:</b>	<b>Sector</b>	<b>5,032</b>	<b>4,482</b>	<b>1,640</b>	<b>2,387</b>	<b>1,385</b>	<b>1,547</b>
	<b>Common</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>
	<b>Total Roads</b>	<b>7,855</b>	<b>7,306</b>	<b>4,483</b>	<b>5,210</b>	<b>4,288</b>	<b>4,370</b>
<b>Industrial - Per Acre:</b>	<b>Sector</b>	<b>16,353</b>	<b>14,568</b>	<b>5,330</b>	<b>7,750</b>	<b>4,502</b>	<b>5,027</b>
	<b>Common</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>	<b>0,176</b>
	<b>Total Roads</b>	<b>25,529</b>	<b>23,743</b>	<b>14,505</b>	<b>16,032</b>	<b>13,678</b>	<b>14,203</b>
<b>Institutional - Per 1,000 Sq. Ft.:</b>	<b>Sector</b>	<b>5,032</b>	<b>4,482</b>	<b>1,640</b>	<b>2,387</b>	<b>1,385</b>	<b>1,547</b>
	<b>Common</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>	<b>2,823</b>
	<b>Total Roads</b>	<b>7,855</b>	<b>7,306</b>	<b>4,483</b>	<b>5,210</b>	<b>4,288</b>	<b>4,370</b>



**EXHIBIT "B" - WATER**

**CITY OF KELOWNA  
2020 WATER SERVICING PLAN & FINANCING STRATEGY  
COST SHARING MODEL (Updated in 2007)**

Target Year	PROJECT	DESCRIPTION	TOTAL CAPITAL COST	NON-DCC REVENUE SOURCES						NET FOR DCC CALC'S	DCC SECTOR ALLOCATIONS		
				By Develp'r	Prov'l Assist	Benefit Existing	Oversize	Net By Utility	A LUC CREDIT		A	B South Mission	D
			Total Growth Units:						395	13,009	7,041	3,690	2,278
Comp	Sky PS 1	Skyline/High Booster Pumps	607.0							607.0			607.0
Comp	PP INTAKE	1,066 mm intake - Poplar Pt	753.3			6.5		6.5	26.6	720.2	482.6		237.7
Comp	PP POWR	Upgrade Power Supply Poplar P	3,623.2			3,079.5		3,079.5	19.4	524.4	351.3		173.0
Comp	PP VALVE	Upgrade Valve Chmbr Poplar Pt	718.7			7.1		7.1	25.3	686.3	459.8		226.5
2010	PP TURB	2x 500hp Turbines - Poplar Pt	430.5						15.3	415.2	278.2		137.0
2007	CEDAR PS	New Cedar Cr. PS - 2 Pumps &	12,415.0			8,104.6		8,104.6		4,310.4		4,310.4	
2008	SKY PMP	Skyline - new 500hp pump	344.4							344.4			344.4
2008	SKY ST	Skyline Suction Trunk 600 mm	884.9							884.9			884.9
2007	SKY VC	Skyline Valve Chamber	165.0							165.0			165.0
2009	BRDWHY TRNK 1	Broadway Trunk 1350 mm	1,954.2						69.6	1,884.7	1,262.7		621.9
2009	BRDWHY VC	Broadway Valve Chamber	229.6						8.2	221.4	148.4		73.1
2011	CAMB VC	Cambridge Valve Chamber	229.6						8.2	221.4	148.4		73.1
2010	KNOX TRNK	Knox Trunk 1200 mm	3,829.7						136.3	3,693.4	2,474.6		1,218.8
2009	KNOX VC	Knox Valve Chamber	229.6							229.6	153.8		75.8
2011	TRNCH TRNK	Trench Place Trunk 900 mm	2,804.4						99.8	2,704.6	1,812.1		892.5
2011	BRDWHY PP	Broadway - P. Pt. Drive	796.7						28.4	768.3	514.8		253.5
2010	DAON PS	125 hp Pump-Daon PS	585.5	585.5									
2010	DILWORTH	Twin Dilworth Trunk-300mm pipe	689.0	689.0									
2011	ELDRDO PS	Eldorado Pump Stn Refrbsh	322.9						17.2	305.7	305.7		
2010	SKY TRK1	Skyline Trk - 200mm to 350mm	496.7			129.2		129.2		367.6			367.6
2010	SKY TRK2	Skyline Trk - 200mm to 300mm	743.9			193.4		193.4		550.5			550.5
2010	SUMMIT PH	Summit PH Extension	93.3	93.3									
2010	SUMMIT PS	2- 50hp pumps @Summit PS	179.4	179.4									
2012	WEDDELL VC	Weddel Valve Chamber	287.0						10.2	276.8	185.4		91.3
2012	CLEMENT	Clement Ave pipe -(Ethel-Richte	424.7						22.6	402.2	402.2		
2012	ETHEL TRNK	Ethel St Trunk-(Weddel-Clemen	587.1						31.2	555.9	555.9		
2013	RICHTER	1085 m 300 mm pipe-Richter	1,125.4						59.8	1,065.6	1,065.6		
2013	HARVEY	Hwy 97-Gordon -Chandler-Pipe	608.4						32.3	576.1	576.1		
2014	CRAWFORD 3	Crawford - 3x100 hp Pumps	846.7	677.3		169.3		169.3	0.0	0.0	0.0		
2014	CRAWFORD 4	Crawford 2 Trunk 300 mm pipe	880.7	704.6		176.1		176.1					
2014	CRAWFORD 5	Crawford Trunk - 300mm pipe	352.9	282.3		70.6		70.6	0.0	0.0	0.0		
2014	CRAWFORD 6	Expand Crawford Reservoir	401.1	320.9		80.2		80.2	0.0	0.0	0.0		
2014	ELLIS	North Ellis - Pipe 500 mm	450.8						23.9	426.8	426.8		
2016	CEDAR PMP	Mission - 2 x 800 hp pumps	1,251.3			725.8		725.8		525.6		525.6	
2016	LKSHR PRV	Lakeshore Trunk - PRV Station	373.1			216.4		216.4	8.3	148.4	148.4		
2016	LKSHR TRNK	Lakeshore Trunk 500 mm	5,917.3			3,432.0		3,432.0	132.0	2,353.3	2,353.3		
Annl	ANNL OS	Annual Oversizing Component	1,200.0						63.7	1,136.3	1,136.3		
	SUBTOTAL A		47,832.9	3,532.2		16,390.7		16,390.7	838.2	27,071.8	15,242.2	4,836.0	6,993.6
	Less: Land Use Credits												
	SUBTOTAL B		47,832.9	3,532.2		16,390.7		16,390.7	838.2	27,071.8	15,242.2	4,836.0	6,993.6
	Carry Over( Reserve Balances)												
	SUBTOTAL C		47,832.9	3,532.2		16,390.7		16,390.7	838.2	24,090.2	12,375.8	4,757.3	6,957.1



**CITY OF KELOWNA**  
**2020 WASTEWATER TRUNKS PLAN & FINANCIAL STRATEGY**  
**COST SHARING MODEL- (updated in 2007)**

**EXHIBIT "C"**

(2000 Dollars x 1000)

				(2000 Dollars x 1000)							
Target Year	PROJECT	FROM - TO	TOTAL CAPITAL COST	NON DCC REVENUE SOURCES				NET FOR DCC CALC'S	ALLOCATIONS		
				By Develp'r	Prov'l Assist	Benefit Existing	Oversize By Utility		LUC Not South Mission	NOT South Mission	South Mission
			Total Growth Units:	395				23,417	19,618	3,798	
COMP	O/S GLNMR MS	Glenmore Trk 5, Mission Trk	550.3					550.3	550.3		
COMP	MF OVERSIZE	Oversize for South Mission Fla	500.0					500.0	500.0		
COMP	O/S MS1 LKSHR	Outstanding Developer Credit	492.9					492.9	492.9		
COMP	L. N HARVEY	Ellis - Richter - Leon	530.0	350.288				3.0	176.7	176.7	
COMP	BYRNSBAR 1	Ziprick to Burtch	4,282.2	1.9	289.762			66.6	3,924.0	3,924.0	
COMP	SPRGZIP	Hollywood S- Ziprick - Baron	1,192.4	51.405				19.0	1,121.9	1,121.9	
COMP	O/S WATER FM	Outstanding Pymnt	1,426.4					460.7	965.7	965.7	
COMP	SPRGBLK	Belgo - Hollywood S	807.7	107.216				11.7	688.8	688.8	
2007	BIRCH ELS	@ Cameron Park	920.0					15.3	904.7	904.7	
2007	BYRNSBAR 2	Byrns to WWTF	10,950.0					182.7	10,767.3	10,767.3	
2008	6B CROSS	Glenmore - Valley	839.0					14.0	825.0	825.0	
2008	KLO	KLO - Swordy	810.0					13.5	796.5	796.5	
2008	GLENMORE 7C	Yates - 700m North	1,222.0					20.4	1,201.6	1,201.6	
2008	HALL	KLO - Benvoulin	1,162.0	639.0				8.7	514.3	514.3	
2008	GYRO FM	Gyro LS - KPCC	1,628.0					27.2	1,600.8	320.2 1,280.7	
2009	GORDON ELS	@ Raymer	1,036.0					17.3	1,018.7	1,018.7	
2009	WATER FM	Pandosy to Ethel	785.0					13.1	771.9	771.9	
2009	RAYMER ELS	Lane North of Coopland	1,044.0					17.4	1,026.6	1,026.6	
2011	ETHEL 3	Gordon - Richmond- Orchard C	1,249.0					20.8	1,228.2	1,228.2	
2015	GUY ELS	@ Bay	1,592.0	1,328.0				4.4	259.6	259.6	
2015	RUTLAND	Nickel - Hwy 33	1,298.0					21.7	1,276.3	1,276.3	
2017	SOUTH GORDO	Old Meadows to KPCC	7,457.0	789.9					6,667.1	1,333.4 5,333.7	
2001/20	OVERSIZE	Oversize Component - \$60/yr	1,200.0					20.0	1,180.0	1,180.0	
SUBTOTAL A			42,973.8	1.9		3,555.6	460.7	496.7	38,458.9	30,851.6 7,607.2	

Less: Land Use Credits

SUBTOTAL B	42,973.8	1.9	3,555.6	460.7	496.7	38,458.9	30,851.6	7,607.2
Carry Over(2000-12-31 Reserve Balances)						(287.7)	(197.0)	(90.7)
SUBTOTAL C	42,973.8	1.9	3,555.6	460.7	496.7	38,171.2	30,654.6	7,516.5

381.7	Engineering/Administration	1.00%	381.7	306.5	75.2
43,355.5	Subtotal D		38,552.9	30,961.2	7,591.7

Less Assist	@	1.00%	(385.5)	(309.6)	(75.9)
Total for DCC			38,167.3	30,651.6	7,515.8

**NET UNIT DCC FOR:**

Residential 1:	1,562	1,979
Residential 2:	1,297	1,642
Residential 3:	875	1,108
Residential 4:	844	1,069
Residential 5:	687	871
Lodging House or Group Home:	1,562	1,979
Commercial - Per 1,000 Sq. Ft.:	601	761
Industrial - Per Acre:	4,375	5,541
Institutional - Per 1,000 Sq. Ft.:	601	761



CITY OF KELOWNA  
UPDATED 2020 WASTEWATER TREATMENT PLAN & FINANCING STRATEGY  
COST SHARING MODEL

**EXHIBIT "D" - WASTEWATER TREATMENT**

		TOTAL PROJECT COST	(2000 Dollars x 1000)					NET FOR DCC CALCULATIONS
YEAR	PROJECT		PROVINCIAL ASSIST	NET REMAINING	BENEFIT EXISTING	OVERSIZE (2020+)	NET BY UTILITY	
		Total Growth Units:	23,812	395				23,417
Cmplt	Existing Debt Commitments	4,666.6	4,666.6					4,666.6
Cmplt	Stage 1 - Completion	749.3	749.3					749.3
2009	Long Term Financing	13,316.4	13,316.4					13,316.4
2007	Stage 2 - Detailed Design	5,393.3	5,393.3	743.9		743.9	77.1	4,572.3
2008	Stage 2 - Construction	25,168.9	25,168.9	3,471.7		3,471.7	359.9	21,337.3
2009	Stage 2 - Construction	25,768.2	25,768.2	3,554.4		3,554.4	368.5	21,845.3
2010	Stage 2 - Completion	3,595.6	3,595.6	496.0		496.0	51.4	3,048.2
Cmplt	Compost Facility - Part A	4,946.6	4,946.6	3,091.6		3,091.6	30.8	1,824.2
2012	Compost Facility - Part C	1,666.7	1,666.7	1,041.7		1,041.7	10.4	614.6
2017	Compost Facility - Part D	2,333.3	2,333.3	1,458.3		1,458.3	14.5	860.5
2015	Land Acquisition	3,640.0	3,640.0		3,640.0	3,640.0		
SUBTOTAL A		91,244.9	91,244.9	13,857.6	3,640.0	17,497.6	912.6	72,834.6
Less: Land Use Credits								
SUBTOTAL B		91,244.9	91,244.9	13,857.6	3,640.0	17,497.6	912.6	72,834.6
Carry-Over (2000-12-31 Reserve Balance)								
SUBTOTAL C		91,244.9	91,244.9	13,857.6	3,640.0	17,497.6	912.6	71,279.6
		712.8	Engineering/Administration				1.00%	712.8
		91,957.6	Subtotal D					71,992.4
Less Assist @ 1.00%								
			Total for DCC					(719.9)
								71,272.5
NET UNIT DCC FOR:								
		Residential 1:					3,044	
		Residential 2:					2,526	
		Residential 3:					1,704	
		Residential 4:					1,644	
		Residential 5:					1,339	
		Commercial - Per 1,000 Sq. Ft.:					1,171	
		Industrial - Per Acre:					8,522	
		Institutional - Per 1,000 Sq. Ft.:					1,171	

This schedule is conceptual and is subject to revision to meet future needs and conditions.

# EXHIBIT "E" - PARKS

## CITY OF KELOWNA UPDATED 2020 PARKS ACQUISITION PLAN & FINANCING STRATEGY COST SHARING MODEL

		(2000 Dollars x 1000)							
PERIOD	ACQUISITIONS	TOTAL CAPITAL COST	NON-DCC REVENUE SOURCES				NET BY UTILITY	NET FOR DCC CALCULATIONS	
			BY DEVELOPER	PROVINCIAL ASSIST	NET REMAINING	LUC			OVERSIZE (2020+)
		Total Growth Units:			25,539	395			25,144
1	29 hectares ( 71 acres)	32,630.0			32,630.0	504.7			32,125.4
2	30 hectares ( 75 acres)	34,858.4			34,858.4	539.1			34,319.3
3	32 hectares ( 80 acres)	36,820.8			36,820.8	569.5			36,251.3
4	34 hectares ( 83 acres)	38,448.7			38,448.7	594.7			37,854.2
SUBTOTAL A		125 hectares ( 309 acres)	142,758.0		142,758.0	2,208.0			140,550.1
Less: Land Use Credits:									
SUBTOTAL B			142,758.0		142,758.0	2,208.0			140,550.1
Carry Over ( 00-12-31 Reserve Balance - Commitments)									
SUBTOTAL C			142,758.0		142,758.0	2,208.0			(3,379.3)
									137,170.7
NOTE:	Period 1 = (2001 - 2005)	1,371.7	Plus Administration/Engineering		@	1.00%			1,371.7
	Period 2 = (2006 - 2010)	144,129.7	Subtotal D						138,542.5
	Period 3 = (2011 - 2015)		Less Assist		@	8.00%			(11,083.4)
	Period 4 = (2016 - 2020)		Total for DCC						127,459.1

NOTE:

Period 1 = (2001 - 2005)  
Period 2 = (2006 - 2010)  
Period 3 = (2011 - 2015)  
Period 4 = (2016 - 2020)

### NET UNIT DCC FOR:

Residential 1:	5,069
Residential 2:	5,069
Residential 3:	5,069
Residential 4:	5,069
Residential 5:	5,069
Commercial - Per 1,000 Sq. Ft.:	N/A
Industrial - Per Acre:	N/A
Institutional - Per 1,000 Sq. Ft.:	N/A

**Residential 1 - Single Family, Duplex - density to 15 units per hectare - rate per unit****Comparison to current rates**

	Sector / Rate						
GROWTH AREA		<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I	9,176	A 1,757	A 1,562	A 3,044	5,069	20,608
	I	9,001	A 1,757	A 1,562	A 3,044	4,910	20,275
Clifton/Glen. Hghld (Updated)	I	9,176	D 3,054	A 1,562	A 3,044	5,069	21,905
	I	9,001	D 3,054	A 1,562	A 3,044	4,910	21,571
Glenmore Valley (Updated)	I	9,176	GEID	A 1,562	A 3,044	5,069	18,851
	I	9,001	GEID	A 1,562	A 3,044	4,910	18,517
Rutland (Updated)	I	9,176	RWW	A 1,562	A 3,044	5,069	18,851
	I	9,001	RWW	A 1,562	A 3,044	4,910	18,517
North East Rutland (Updated)	C	14,505	BMID	A 1,562	A 3,044	5,069	24,180
	C	14,331	BMID	A 1,562	A 3,044	4,910	23,847
Hwy 33 - North East (Updated)	D	16,932	BMID	A 1,562	A 3,044	5,069	26,607
	D	16,589	BMID	A 1,562	A 3,044	4,910	26,105
Hwy 33 - South West (Updated)	F	13,678	BMID	A 1,562	A 3,044	5,069	23,353
	F	13,334	BMID	A 1,562	A 3,044	4,910	22,850
University / Airport (Updated)	E	14,203	GEID	A 1,562	A 3,044	5,069	23,878
	E	13,945	GEID	A 1,562	A 3,044	4,910	23,461
McKinley (Updated)	E	14,203	GEID	N/A	N/A	5,069	19,272
	E	13,945	GEID	N/A	N/A	4,910	18,855
Hall Road (Updated)	I	9,176	SEKID	A 1,562	A 3,044	5,069	18,851
	I	9,001	SEKID	A 1,562	A 3,044	4,910	18,517
Southeast Kelowna (Updated)	A	25,529	SEKID	N/A	N/A	5,069	30,598
	A	24,847	SEKID	N/A	N/A	4,910	29,757
S.W. Mission (Updated)	B	23,743	B 1,289	B 1,979	A 3,044	5,069	35,124
	B	23,765	B 1,289	B 1,979	A 3,044	4,910	34,987

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period



**Residential 4 - Apartments Greater Than 4 Storys - greater than 85 units per hectare - rate per unit****Comparison to current rates**

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
<b>City Centre (Updated)</b>	I 4,771	A 598	A 844	A 1,644	5,069	<b>12,926</b>
<b>Current</b>	I 4,681	A 598	A 844	A 1,644	4,910	<b>12,677</b>
<b>Clifton/Glen. Hghld (Updated)</b>	I 4,771	D 1,038	A 844	A 1,644	5,069	<b>13,366</b>
<b>Current</b>	I 4,681	D 1,038	A 844	A 1,644	4,910	<b>13,117</b>
<b>Glenmore Valley (Updated)</b>	I 4,771	GEID	A 844	A 1,644	5,069	<b>12,328</b>
<b>Current</b>	I 4,681	GEID	A 844	A 1,644	4,910	<b>12,079</b>
<b>Rutland (Updated)</b>	I 4,771	RWW	A 844	A 1,644	5,069	<b>12,328</b>
<b>Current</b>	I 4,681	RWW	A 844	A 1,644	4,910	<b>12,079</b>
<b>North East Rutland (Updated)</b>	C 7,543	BMID	A 844	A 1,644	5,069	<b>15,100</b>
<b>Current</b>	C 7,452	BMID	A 844	A 1,644	4,910	<b>14,850</b>
<b>Hwy 33 - North East (Updated)</b>	D 8,805	BMID	A 844	A 1,644	5,069	<b>16,362</b>
<b>Current</b>	D 8,626	BMID	A 844	A 1,644	4,910	<b>16,024</b>
<b>Hwy 33 - South West (Updated)</b>	F 7,112	BMID	A 844	A 1,644	5,069	<b>14,669</b>
<b>Current</b>	F 6,934	BMID	A 844	A 1,644	4,910	<b>14,332</b>
<b>University / Airport (Updated)</b>	E 7,385	GEID	A 844	A 1,644	5,069	<b>14,942</b>
<b>Current</b>	E 7,251	GEID	A 844	A 1,644	4,910	<b>14,649</b>
<b>McKinley (Updated)</b>	E 7,385	GEID	N/A	N/A	5,069	<b>12,454</b>
<b>Current</b>	E 7,251	GEID	N/A	N/A	4,910	<b>12,161</b>
<b>Hall Road (Updated)</b>	I 4,771	SEKID	A 844	A 1,644	5,069	<b>12,328</b>
<b>Current</b>	I 4,681	SEKID	A 844	A 1,644	4,910	<b>12,079</b>
<b>Southeast Kelowna (Updated)</b>	A 13,275	SEKID	N/A	N/A	5,069	<b>18,344</b>
<b>Current</b>	A 12,920	SEKID	N/A	N/A	4,910	<b>17,830</b>
<b>S.W. Mission (Updated)</b>	B 12,346	B 438	B 1,069	A 1,644	5,069	<b>20,566</b>
<b>Current</b>	B 12,358	B 438	B 1,069	A 1,644	4,910	<b>20,419</b>

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

**Residential 5 - Apartments With Habitable Area of 600 Sq. Ft.**  
**(use a per sq.ft. rate for less than 600)**

**Comparison to current rates**

GROWTH AREA	Sector / Rate					
	Roads	Water	Sewer Trunks	Treatment	Parks	Total
City Centre (Updated) <i>Current</i>	I 3,670	A 492	A 687	A 1,339	5,069	11,257
	3,600	A 492	A 687	A 1,339	4,910	11,029
Clifton/Glen. Hghld (Updated) <i>Current</i>	I 3,670	D 855	A 687	A 1,339	5,069	11,621
	3,600	D 855	A 687	A 1,339	4,910	11,392
Glenmore Valley (Updated) <i>Current</i>	I 3,670	GEID	A 687	A 1,339	5,069	10,766
	3,600	GEID	A 687	A 1,339	4,910	10,537
Rutland (Updated) <i>Current</i>	I 3,670	RWW	A 687	A 1,339	5,069	10,766
	3,600	RWW	A 687	A 1,339	4,910	10,537
North East Rutland (Updated) <i>Current</i>	C 5,802	BMID	A 687	A 1,339	5,069	12,898
	5,732	BMID	A 687	A 1,339	4,910	12,669
Hwy 33 - North East (Updated) <i>Current</i>	D 6,773	BMID	A 687	A 1,339	5,069	13,869
	6,635	BMID	A 687	A 1,339	4,910	13,572
Hwy 33 - South West (Updated) <i>Current</i>	F 5,471	BMID	A 687	A 1,339	5,069	12,567
	5,334	BMID	A 687	A 1,339	4,910	12,270
University / Airport (Updated) <i>Current</i>	E 5,681	GEID	A 687	A 1,339	5,069	12,777
	5,578	GEID	A 687	A 1,339	4,910	12,515
McKinley (Updated) <i>Current</i>	E 5,681	GEID	N/A	N/A	5,069	10,750
	5,578	GEID	N/A	N/A	4,910	10,488
Hall Road (Updated) <i>Current</i>	I 3,670	SEKID	A 687	A 1,339	5,069	10,766
	3,600	SEKID	A 687	A 1,339	4,910	10,537
Southeast Kelowna (Updated) <i>Current</i>	A 10,211	SEKID	N/A	N/A	5,069	15,280
	9,939	SEKID	N/A	N/A	4,910	14,849
S.W. Mission (Updated) <i>Current</i>	B 9,497	B 361	B 871	A 1,339	5,069	17,137
	9,506	B 361	B 871	A 1,339	4,910	16,987

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

Note - There was no Residential 5 in the rates effective April 1, 2007

## Commercial - rate per 1,000 Sq.Ft.

## Comparison to current rates

	Sector / Rate									
GROWTH AREA	<u>Roads</u>		<u>Water</u>		<u>Sewer Trunks</u>		<u>Treatment</u>	<u>Parks</u>	<u>Total</u>	
City Centre (Updated)	I	2,823	A	676	A	601	A	1,171	N/A	5,271
Current	I	2,770	A	676	A	601	A	1,171	N/A	5,218
Clifton/Glen. Hghld (Updated)	I	2,823	D	1,175	A	601	A	1,171	N/A	5,769
Current	I	2,770	D	1,175	A	601	A	1,171	N/A	5,716
Glenmore Valley (Updated)	I	2,823	GEID		A	601	A	1,171	N/A	4,595
Current	I	2,770	GEID		A	601	A	1,171	N/A	4,541
Rutland (Updated)	I	2,823	RWW		A	601	A	1,171	N/A	4,595
Current	I	2,770	RWW		A	601	A	1,171	N/A	4,541
North East Rutland (Updated)	C	4,463	BMID		A	601	A	1,171	N/A	6,235
Current	C	4,409	BMID		A	601	A	1,171	N/A	6,181
Hwy 33 - North East (Updated)	D	5,210	BMID		A	601	A	1,171	N/A	6,982
Current	D	5,104	BMID		A	601	A	1,171	N/A	6,876
Hwy 33 - South West (Updated)	F	4,208	BMID		A	601	A	1,171	N/A	5,980
Current	F	4,103	BMID		A	601	A	1,171	N/A	5,874
University / Airport (Updated)	E	4,370	GEID		A	601	A	1,171	N/A	6,142
Current	E	4,291	GEID		A	601	A	1,171	N/A	6,062
McKinley (Updated)	E	4,370	GEID		N/A		N/A		N/A	4,370
Current	E	4,291	GEID		N/A		N/A		N/A	4,291
Hall Road (Updated)	I	2,823	SEKID		A	601	A	1,171	N/A	4,595
Current	I	2,770	SEKID		A	601	A	1,171	N/A	4,541
Southeast Kelowna (Updated)	A	7,855	SEKID		N/A		N/A		N/A	7,855
Current	A	7,645	SEKID		N/A		N/A		N/A	7,645
S.W. Mission (Updated)	B	7,306	B	496	B	761	A	1,171	N/A	9,734
Current	B	7,312	B	496	B	761	A	1,171	N/A	9,740

BMID Serviced by Black Mountain Irrigation District

RWW Serviced by Rutland Water Works

SEKID Serviced by South East Kelowna Irrigation District

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

NOTE: Institutional rate is the same as commercial except

Schools to grade 12 and College Residences are not charged Roads DCC.



## Updated Development Cost Charge Rates

**ARTERIAL ROADS**

## Development Cost Charges Applicable to Development Within the Municipality

Development Type	Sector A SE Kelowna	Sector B South Mission	Sector C NE of Inner City	Sector D N of Hwy 33	Sector F S of Hwy 33	Sector E N of Inner City	Sector I Inner City
Residential 1	25,529	23,743	14,505	16,932	13,678	14,203	9,176
Residential 2	20,423	18,995	11,604	13,546	10,942	11,362	7,341
Residential 3	14,041	13,059	7,978	9,313	7,523	7,811	5,047
Residential 4	13,275	12,346	7,543	8,805	7,112	7,385	4,771
Residential 5	10,211	9,497	5,802	6,773	5,471	5,681	3,670
Commercial - Per 1,000 sq ft	7,855	7,306	4,463	5,210	4,208	4,370	2,823
Institutional A - Per 1,000 sq ft	7,855	7,306	4,463	5,210	4,208	4,370	2,823
Institutional B - Per 1,000 sq ft	0	0	0	0	0	0	0
Industrial/Campground Per Acre	25,529	23,743	14,505	16,932	13,678	14,203	9,176
Current Residential 1 Rate	24,847	23,765	14,331	16,589	13,334	13,945	9,001

**WATER**

## Development Cost Charges Applicable to Development Within the Municipality

Development Type	Sector A Inner City	Sector B South Mission	Sector D Glenmore/ Clifton
Residential 1	1,757	1,289	3,054
Residential 2	1,178	864	2,046
Residential 3	844	619	1,466
Residential 4	598	438	1,038
Residential 5	492	361	855
Commercial - Per 1,000 sq ft	676	496	1,175
Institutional A - Per 1,000 sq ft	676	496	1,175
Institutional B - Per 1,000 sq ft	676	496	1,175
Industrial/Campground Per Acre	4,921	3,609	8,551
Current Residential 1 Rate	1,757	1,289	3,054

**Updated Development Cost Charge Rates****WASTEWATER TRUNK MAINS****Development Cost Charges Applicable to Development Within the Municipality**

<b>Development Type</b>	<b>Sector A Inner City</b>	<b>Sector B South Mission</b>
Residential 1	1,562	1,979
Residential 2	1,297	1,642
Residential 3	875	1,108
Residential 4	844	1,069
Residential 5	687	871
Commercial - Per 1,000 sq ft	601	761
Institutional A - Per 1,000 sq ft	601	761
Institutional B - Per 1,000 sq ft	601	761
Industrial/Campground Per Acre	4,375	5,541

Current Residential 1 Rate	1,562	1,979
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**WASTEWATER TREATMENT****Development Cost Charges Applicable to Development Within the Municipality**

<b>Development Type</b>	<b>Sector A All City</b>
Residential 1	3,044
Residential 2	2,526
Residential 3	1,704
Residential 4	1,644
Residential 5	1,339
Commercial - Per 1,000 sq ft	1,171
Institutional A - Per 1,000 sq ft	1,171
Institutional B - Per 1,000 sq ft	1,171
Industrial/Campground Per Acre	8,522

Current Residential 1 Rate	3,044
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**Updated Development Cost Charge Rates****PARKLAND - PUBLIC OPEN SPACE****Development Cost Charges Applicable to Development Within the Municipality**

<b>Development Type</b>	<b>Sector A All City</b>
Residential 1	<b>5,069</b>
Residential 2	<b>5,069</b>
Residential 3	<b>5,069</b>
Residential 4	<b>5,069</b>
Residential 5	<b>5,069</b>
Commercial - Per 1,000 sq ft	-
Institutional A - Per 1,000 sq ft	-
Institutional B - Per 1,000 sq ft	-
Industrial/Campground Per Acre	-
<b>Current Residential 1 Rate</b>	<b>4,910</b>





**20 YEAR SERVICING PLAN AND  
FINANCING STRATEGY - 2008 UPDATE**  
November, 2008

# **PUBLIC AND STAKEHOLDER INPUT**



**CITY OF KELOWNA**

**20 YEAR SERVICING PLAN AND FINANCING STRATEGY**  
**UPDATE IN 2008**

**STAKEHOLDER AND PUBLIC INPUT**

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<ul style="list-style-type: none"><li>• From the October 15<sup>th</sup> and 21st Presentations</li><li>• E-mails from CHBA and 1 developer</li></ul>	
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# **INTRODUCTION**

**CITY OF KELOWNA  
20 YEAR SERVICING PLAN AND FINANCING STRATEGY  
PUBLIC AND STAKEHOLDER INPUT**

This document is a record of the public and stakeholder submissions regarding the "Draft" 2008 update to the 20 Year Servicing Plan and Financing Strategy (2020 Plan). Comments were requested through newspaper advertisements and at the public presentations on October 15th and 21st, 2008.

The 2020 Plan was prepared using 2002/03 costs with an update done in 2004. This update was prepared using the 2004 costs as the base and reflects current costs for the provision of water, wastewater, arterial roads and parkland acquisition. The 2008 recommended change considers only the actual cost of Parkland acquired and for Roads, only those projects for which there is updated detail design/quantities and/or actual costs for completed projects. The remaining roads project unit rates will stay at the current levels (2007 update). Water, Sewer Trunks and Sewer Treatment remain at current program levels. The proposed infrastructure works are the same as the current program.

**(a) TRANSPORTATION** – The updated plan includes the same roads as the current plan and calls for \$588.6 M. in expenditures which is an increase of \$6.7 M. or 1.2 % over the current plan. This is attributable to those Roads projects that were increased because of updated detail design/quantities and/or actual costs for completed projects, were applied.

**(b) WATER** – Current levels remain.

**(c) WASTEWATER** – Current levels remain.

**(d) PARKS** – The updated plan retains the current standard of 2.2 hectares of park per 1,000 population. The cost of the updated 2020 program is \$144.1 Million, an increase of \$4.5 M. or 3.2 % over the current plan. Updated costs are based only on the actual cost of those properties acquired in 2008. All other estimated costs remain at current program levels (2007).

The total costs of providing this infrastructure in the 2020 Plan update is \$916.1 Million as compared to \$905.2 Million for the current 2020 program. This 1.2 % increase is a result of the changes outlined above. The impact on the funding areas is:



	(Millions \$'s)		
<u>Funding Sources</u>	<u>Current Program</u>	<u>Update</u>	<u>Change \$'s</u>
Taxation	152.6	154.8	2.2
DCC's	569.5	577.5	8.0
Developer	98.0	99.0	1.0
Province	43.5	43.2	(0.3)
Utility	41.6	41.6	0.0
Total	\$905.2	\$916.1	\$10.9

**Council, at their Regular Meeting of Monday, October 6, 2008, considered the staff report of October 1, 2008 (attached) and adopted the following resolution:**

**THAT Council receive the draft 20-Year Servicing Plan and Financing Strategy (2008 update) for information;**

**AND THAT Council authorize staff to seek stakeholder input into the draft plan and report back following that feedback.**

#### **Submissions Process**

Staff consolidated all submissions into this document that were provided through:

- Questions posed at the October 15<sup>th</sup> and 21st presentations
- Written submissions by groups and individuals

All submissions were carefully considered.

The recommended DCC Bylaw effective date will be February 2, 2009 or the date of final bylaw reading, whichever is the later.

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CITY OF KELOWNA

**MEMORANDUM**

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**Date:** October 1, 2008

**File No.:** 6430-01

**To:** City Manager

**From:** Director of Works and Utilities  
Director of Financial Services  
Director of Parks and Leisure Services

**Subject:** 20-Year Servicing Plan and Financing Strategy (2008 Update)

Report Prepared by: J. Wunderlich

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**RECOMMENDATION:**

THAT Council receive the draft 20-Year Servicing Plan and Financing Strategy (2008 update) for information;

AND THAT Council authorize staff to seek stakeholder input into the draft plan and report back following that feedback.

**BACKGROUND:**

The current 20-Year Servicing Plan and Financing Strategy was presented to Council in November, 2007 and became effective in March, 2008.

The recommended 2008 update to the 2020 Servicing Plan reflects changes in land and construction costs, updated completed projects and more detailed engineering on a number of projects. The proposed infrastructure works are largely the same except for the following key changes:

- (a) **TRANSPORTATION** – The updated plan reflects an increase in land costs of 6% and construction costs of 9% for an overall increase of 8%. Construction costs reflect an increase in excavation costs, rock removal, gravel, asphalt and concrete. This plan essentially includes the same roads as the current plan although 2 small crossing, Frost 1B (Chute Lake – Kildeer Rd) and Gallagher 1B (Creek Crossing) were deemed no longer necessary.
- (b) **WATER** – The current 2020 Plan calls for \$48.1 Million in expenditures to support growth while the 2020 update identifies \$49.6 Million in expenditures, or 3.2 % increase.
- (c) **WASTEWATER** – The updated plan reflects a modest increase in each of Treatment and Trunk costs of 1%.
- (d) **PARKS** –The cost of the updated 2020 program is \$166.6, an increase of 19%. Updated costs are based on the market increase in land values and specific site detail costs. The updated plan retains the current standard of 2.2 hectares of park per 1,000 population.

The total costs of providing this infrastructure in the 2020 Plan update is \$983.5 Million as compared to \$905.2 Million for the current 2020 program. This 8.7 % increase is a result of the changes outlined above. The impact on the funding areas is:

(Millions \$'s)

<u>Funding Sources</u>	<u>Current Program</u>	<u>Update</u>	<u>Change \$'s</u>
Taxation	152.6	166.5	13.9
DCC's	569.5	622.8	53.3
Developer	98.0	110.0	12.0
Province	43.5	43.6	0.1
Utility	41.6	40.6	-1.0
Total	\$905.2	\$983.5	\$78.3

The impact on the funding sources and DCC rates can be seen in attachment Schedule 1A.

Additional information on the DCC rates is provided in the attached schedules 1-4.

Staff intends to hold 2 open houses, one on October 15 from 4:00 p.m. to 6:00 p.m. at the Best Western Hotel and the other on October 21st from 4:00 p.m. to 6:00 p.m. at City Hall Council Chambers, with presentations to stakeholders and the general public at 5 p.m. At this session staff will be available to answer questions on the various plans and the financing strategy. Surveys will be provided to attendees to seek feedback. As well, staff will work with key stakeholders such as the Urban Development Institute and interested neighbourhood organizations to provide additional information and clarification. Once their feedback is received staff will report with an amended servicing plan and financing strategy. The following is a schedule of events:

Presentation to City Council – October 6  
 Public Consultation Meetings – October 15 and October 21  
 Acceptance of Input – by November 3  
 Report back to Council – November 10  
 New rates effective – Feb 2/09

#### **INTERNAL CIRCULATION TO:**

Works & Utilities Department  
 Recreation, Parks and Cultural Services Department  
 Community Development and Real Estate Department

#### **EXISTING POLICY:**

20 Servicing Plan and Financing Strategy

#### **FINANCIAL/BUDGETARY CONSIDERATIONS:**

There will be impacts to the 10 Year Capital Plan and to annual budget submissions to reflect the cost increases.

Considerations that were not applicable to this report:

LEGAL/STATUTORY AUTHORITY:  
LEGAL/STATUTORY PROCEDURAL REQUIREMENTS:  
PERSONNEL IMPLICATIONS:  
TECHNICAL REQUIREMENTS:  
EXTERNAL AGENCY/PUBLIC COMMENTS:  
ALTERNATE RECOMMENDATION:

Submitted by:

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John Vos

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Paul Macklem

---

David Graham

Attachments

**CORRESPONDENCE FROM THE URBAN  
DEVELOPMENT INSTITUTE**





**URBAN DEVELOPMENT INSTITUTE – KELOWNA CHAPTER**

212 1884 Spall Road  
Kelowna BC V1Y 4R1 Canada  
T. 250.717.3588 F. 250.861.3950  
[udikelowna@shaw.ca](mailto:udikelowna@shaw.ca)  
[www.udi.bc.ca](http://www.udi.bc.ca)

November 4, 2008

City of Kelowna  
1435 Water Street,  
Kelowna, B.C. V1Y 1J4  
Attention: Mr. Keith Grayston

Dear Mr. Grayston,

**Re: 2008 DCC Review**

On behalf of the UDI Board of Directors, I wish to thank City staff for their work on the 2008 DCC Rate Review and for continuing the open dialogue and disclosure with our industry. We acknowledge the amount of work that goes into this process and support the way the program has evolved over the past few years.

With specific regard to the projected 2009 increase of between 9 - 11%, depending on sector and category, we agree that models used in the past have generally been followed. However, we note that unit rate projections used for this review were based on limited actual tender prices, and that the tenders being reviewed were placed at what we believe to be a significant spike in market prices.

The real estate market, both locally and nationally, has recently entered a very uncertain time. It is generally accepted that the real estate market has turned from the longest and highest period of increasing values we have ever seen into a period of decreasing values of unpredictable duration and scope. We have already seen contractors and suppliers start to reduce their pricing significantly and believe that this trend will continue to "below market" rates as competition for work on development projects increases. We have also seen political decisions being made regarding increased DCC's such as in Toronto where Mayor Miller has called for a one year moratorium on increasing DCC's in an effort to try to mitigate impacts on the development industry, and further;

"In addition to a complete freeze in 2009, we should consider phasing in increases only when market conditions warrant."

UDI is recommending that the DCC rates be held at their current levels, despite the City staff recommended 9-11% increase. We recommend that these rates be held until sometime next year when, by such time, we understand there will be more City projects tendered so that any changes to the DCC rates will be more reflective of actual pricing.

While UDI continues to support the annual review of DCC's, we also believe that it makes financial sense not to set DCC rates for the future year based on historical peaks or troughs in market pricing. If this strict model for DCC reviews is followed, we will face the 9-11% increase for 2009, however, we believe that if the strict model is followed again next year, DCC's could be lowered based on prices that are also not realistic. Although this would be in the short term interest of our industry, they would frustrate the DCC model by under-pricing the real cost of capital projects.

UDI is recommending that as an alternative to the annual rate change for 2009, when we know that we have just passed a peak in the market cycle and we have every reason to believe that it will overcorrect next year, that we hold DCC rates for 2009 and look at some kind of a blend for 2010 at which time we know the City will have more tendered values to base their review on.

UDI is currently reviewing a new Official Community Plan drafted by the City of Kelowna that is almost entirely focused on sustainability. One of the three main principles of sustainability is economic viability. We strongly believe that facing the market conditions ahead of us, increasing any fees and levies at this time will negatively impact economic viability.

Lastly, as a follow-up to last year's DCC Review discussions, we wish to once again express our hope that further consideration will be given to charging DCC's for multiple family residential development on a per square foot basis in an effort to create an incentive for smaller, more affordable units.

Yours truly,

UDI Kelowna Chapter

Gail Temple, Chapter President

CC. by email to: Her Worship Mayor Sharon Shepherd and Council, John Vos, Paul Macklem, Ron Westlake, Janet Bradshaw

## **CORRESPONDENCE FROM THE UBCO**

## Jim Wunderlich

---

**From:** Colby, Lisa [lcolby@exchange.ubc.ca]  
**Sent:** Monday, November 03, 2008 3:55 PM  
**To:** Jim Wunderlich  
**Cc:** Knight, Nancy  
**Subject:** DCC letter from UBCO

Hello Jim,

As discussed, please find attached a letter from UBC to Keith Grayston regarding the proposed DCC increase bylaw.

Please forward this scanned signed version of our letter to him and the City Clerk's office in time for the consultation deadline today, and include this letter in your report to Council when the bylaw goes forward. We'll put the original letter in the mail .

Please also confirm by email that you have received this letter.

Thanks,  
Lisa Colby  
604-822-2089



# THE UNIVERSITY OF BRITISH COLUMBIA

## Office of the Associate Vice President, Planning Campus and Community Planning

2210 West Mall  
Vancouver, BC V6T 1Z4

Phone: (604) 827-3171

Fax: (604) 822-6119

E-mail: nancy.knight@ubc.ca

November 3, 2008

Mr. Keith Grayston  
Financial Planning Manager  
City of Kelowna  
1435 Water Street  
Kelowna, BC V1Y 1J4

**Re: Update to 20 Year Servicing Plan & Financing Strategy (Development Cost Charges)**

---

Dear Mr. Grayston:

Thank you for the opportunity to comment on your proposed update to Kelowna's Development Cost Charge (DCC) Bylaw. UBC understands from the notification material and City Hall Open House presentation on October 21, 2008, that proposed rates for UBC would rise \$530 per 1000 sq.ft. to a total of \$6,593 per 1000 sq.ft. (8.7% increase). These new rates would take effect as of Feb 2/09.

UBC is a non-profit educational institution and does not reap profits from its development through resale or commercial use. All costs associated with construction of educational facilities or student housing must therefore be absorbed within the limited project budgets set at their inception, and any unforeseen cost increases must be addressed through adjustments to equipment or scaling back of facilities. UBC is working hard to provide the new buildings required to support the level of academic excellence envisioned for this campus and community as soon as possible. The proposed cost increases to the DCC rates for 2009 will inevitably affect the delivery of some projects (for the third year in a row).

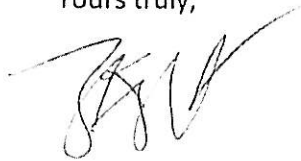
UBC understands that the City aims to recover its increasing costs of infrastructure delivery by approximating DCC rates based on the local market average unit costs from the preceding year. However, this technique may merit adjustment for the unique circumstances of 2008/9. UBC was not privy to results of the quantity surveyor's review of these unit prices requested by the Urban Development Institute (these results are not yet available to the public), but we share the expectation that the unit prices from summer 2008, will be unnecessarily high for next year given the changed economic climate that now exists, and the predicted recession ahead.



UBC respectfully asks that the City of Kelowna understand and support our educational mandate and non-profit status, and offer relief where possible as we try to construct the kind of campus that can support a world-class university education, on-time and on-budget. Towards that end, UBC asks that City staff instead explore a modified approach to assessing DCC rates this year; one that might more accurately respond to these unique economic times and reflect the more likely reduction (rather than increase) of unit prices that the city will face when providing infrastructure in 2009.

Thank you for taking our commentary under serious consideration.

Yours truly,

A handwritten signature in black ink, appearing to be 'N.K.' or similar, written over a light blue horizontal line.

Nancy Knight  
Associate Vice-President  
Campus and Community Planning

cc: City of Kelowna, Mayor and council  
Hubert Lai, UBC Legal Services  
Peter Smailes, UBC Financial Services  
Rob Brown, UBC Properties Trust  
Aidan Kiernan, UBC O AVP Operations  
Doug Owram, Deputy Vice Chancellor, UBC Okanagan

# **GENERAL SUBMISSIONS**



RECEIVED Nov. 5/08 - LATE

## OPPORTUNITY FOR COMMENT

### 20 YEAR SERVICING PLAN AND FINANCING STRATEGY - 2020 PLAN

The City of Kelowna would like your comments relative to the 20 Year Servicing Plan and Financing Strategy update. The following comment guidelines are proposed for your convenience:

#### 1. Servicing Plan - Major Services

##### 1.1 Arterial Roads

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##### 1.2 Water Distribution/Pumping

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##### 1.3 Wastewater Trunks

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##### 1.4 Wastewater Treatment

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##### 1.5 Parkland Acquisition

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##### 1.6 Other

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## 2. Financing Strategy - Who Pays?

### 2.1 Development Cost Charges

Please see below.

### 2.2 General Taxation

### 2.3 User Pays

### 2.4 Other

## 3. Other Comments

I believe it is untimely and unwise to propose any increase in DCC's at a time of the greatest economic uncertainty in the world in the last 70 years. Economies are tipping towards recession or even worse.

Kelowna is likely to experience tough economic times, including a reduction in the costs of infrastructure installation and servicing. To propose an increase in DCC's at this time would be very counter productive to the economic well being of the city, its development industry, and its citizens.

**Please complete the following information to make sure your opinion counts!**

Name: Ed Hall Canadian Adult Communities Ltd

Address: 1075 Barnes Avenue,  
Kelowna B.C.

Telephone No.: 250-762-7344



## OPPORTUNITY FOR COMMENT

### 20 YEAR SERVICING PLAN AND FINANCING STRATEGY - 2020 PLAN

The City of Kelowna would like your comments relative to the 20 Year Servicing Plan and Financing Strategy update. The following comment guidelines are proposed for your convenience:

#### 1. Servicing Plan - Major Services

##### ✓ 1.1 Arterial Roads

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##### ✓ 1.2 Water Distribution/Pumping

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##### ✓ 1.3 Wastewater Trunks

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##### ✓ 1.4 Wastewater Treatment

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##### ✓ 1.5 Parkland Acquisition

*DCC's for acquisition of natural open space should be introduced.*

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##### 1.6 Other

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## 2. Financing Strategy - Who Pays?

### 2.1 Development Cost Charges

### 2.2 General Taxation

### 2.3 User Pays

### 2.4 Other

## 3. Other Comments

The assist factor for all services should be reduced. While it is true existing residents may benefit from new roads, parks, etc., if the development did not occur, the existing roads, parks would be adequate. In addition developers use the existing road system (and often damage it) which has been paid for by existing residents.

Please complete the following information to make sure your opinion counts!

Name: Ken Campbell - Clifton Highlands Community Assoc.

Address: 118 Boppert Ct

Telephone No.: 562 524 7

**From:** Lesley Driscoll  
**Sent:** October 15, 2008 10:26 AM  
**To:** 'tim\_jo\_evans@shaw.ca'  
**Subject:** RE: DCC increases  
Dear Mr. Evans,

Thank you for your correspondence regarding proposed Development Cost Charge (DCC) increases. It has been provided to City Council. On your behalf, I have forwarded your comments to our Financial Services Division for their consideration.

The City of Kelowna is inviting developers and interested members of the public to review proposed increases to DCC's at two open houses. They will be held on Wednesday October 15 in the boardroom on the conference level at Best Western Inn and on Tuesday October 21 in Council Chambers at City Hall. Both open houses run from 4 p.m. to 6 p.m. with a staff presentation at 5 p.m.

Sincerely on behalf of City Council,

*Lesley A. Driscoll*  
Confidential Secretary  
City of Kelowna  
1435 Water Street  
Kelowna, BC V1Y 1J4  
Phone: 250 469-8978  
Fax: 250 862-3399  
[www.kelowna.ca](http://www.kelowna.ca)

-----Original Message-----

**From:** Jan Johnston  
**Sent:** October 6, 2008 9:24 AM  
**To:** Sharon Shepherd; Ron Mattiussi; Lesley Driscoll  
**Subject:** FW: DCC increases

file 6410-02

Jan Johnston  
Confidential Secretary to the Mayor  
City of Kelowna  
Telephone: 250 469-8687  
Facsimile: 250 862-3399  
Email: [jjohnston@kelowna.ca](mailto:jjohnston@kelowna.ca)  
Website: [www.kelowna.ca](http://www.kelowna.ca)



-----Original Message-----

**From:** Tim & Jolanda Evans [[mailto:tim\\_jo\\_evans@shaw.ca](mailto:tim_jo_evans@shaw.ca)]  
**Sent:** October 5, 2008 8:53 AM  
**To:** 'Andre Blanleil'; 'Barrie Clark'; Brian Given; 'Carol Gran'; Colin Day; 'Michele Rule'; Norm Letnick; 'Robert Hobson'; Jan Johnston  
**Subject:** DCC increases

To the Mayor and all City Councillors.

I am writing on behalf of CHBA and the 190+ members of our association who are directly involved in the construction industry as both builders and suppliers.

At your meeting on Monday you will be considering raising DCC's by an additional 10%. This comes at a time when housing affordability is an issue along with a severe downturn in the housing market. You have



raised DCC's in excess of 50% over the past four years. Fortunately the market was able to absorb these raises but is no longer in a position to do so. September listings were at a record high and sales were down by 50% over last year. Should this trend continue the construction industry in the City will be experiencing cut backs and lay offs. If anything you should consider reducing the DCC's to support a critical industry in this town that directly or indirectly employs 23% of people and produces over 33% of the GDP. Adding additional costs at this time is simply irresponsible as there is no longer need to slow growth; the market is taking care of that all by itself.

Tim Evans  
Director CHBA  
250-765-9282

## Jim Wunderlich

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**From:** Paul Macklem  
**Sent:** Monday, November 03, 2008 6:39 AM  
**To:** Keith Grayston; Jim Wunderlich  
**Subject:** FW: Toronto mayor freezes DCC's

Keith & Jim: For your information.

Paul

-----Original Message-----

**From:** Ron Mattiussi  
**Sent:** Saturday, November 01, 2008 3:32 PM  
**To:** Paul Macklem; Jim Paterson; John Vos  
**Subject:** Fw: Toronto mayor freezes DCC's

-----Original Message-----

**From:** Randall Shier <rshier@themissiongroup.ca>  
**To:** mayorandcouncil <mayorandcouncil@kelowna.ca>  
**CC:** Ron Mattiussi <rmattiussi@kelowna.ca>  
**Sent:** Sat Nov 01 11:33:32 2008  
**Subject:** Toronto mayor freezes DCC's

Dear Mayor and Council,

The development and construction industry is in a perilous position today in Kelowna. The industry, as the third largest economic driver in the Valley (according to the Economic Development Commission) is slowing down rapidly. Construction and development job loss are having and will have a very negative spin off impact on the City in the months ahead.

At a time of decreasing prices and revenues, the only thing that industry can do is look at reducing costs. If costs in all areas do not go down, retail, office, industrial and residential development will grind to a halt and more jobs will disappear. During this global economic crisis, I would ask that you seriously look at freezing all costs, DCC's and other fees for 2009. Below is News Release of the Mayor of Toronto doing just that in his City. As well as DCC's, we would ask that you not proceed with policy that adds costs to the development industry. For example, costs like requiring the private sector to provide subsidized "affordable" housing. Please note that the private sector is okay with providing subsidized housing IF it is incentive based, rather than requirement of rezoning based. If we can't show a profit to our lenders, we will not get financing and projects will not proceed.

As partners in community building, we need City Hall to be part of the solution, not part of the problem. Please remember that one of the three legs of sustainability is "economy." At The Mission Group, we also strongly support the other two legs of sustainability, being "social" and "environment." All three legs of the stool must be firm, equal and balanced.

Thanks for your consideration in these matters. Your leadership is appreciated in these difficult times.

Mission Group Properties G.P.  
Randy Shier  
620 - 1632 Dickson Ave.  
Kelowna, BC, V1Y 7T2  
T. 250 448 8810 C. 250 317 7780  
[www.themissiongroup.ca](http://www.themissiongroup.ca)

News Release

October 17, 2008

Wrong time for development charge increase, Mayor Miller says

Mayor David Miller announced today that he will be seeking a one-year freeze on development charges in order to keep Toronto's construction sector active during times of economic uncertainty.

The City's current development charge bylaw expires in mid-2009 and a new bylaw will be before the City's Executive Committee on Nov. 10.

"A great many Torontonians work in the construction trades and related fields and we have to ensure those jobs are protected as signs point to an economic downturn," said Mayor Miller. "Cities are also where development and intensification should be happening. It's the way to prevent sprawl and protect the environment.

"I believe we need a creative, made in Toronto approach that is balanced and fair to both Torontonians and the development industry. In addition to a complete freeze in 2009, we should consider phasing in increases only when market conditions warrant."

A background study on development charges and the proposed new bylaw will be available publicly on Oct. 23.

Toronto is Canada's largest city and sixth largest government, and home to a diverse population of about 2.6 million people. It is the economic engine of Canada and one of the greenest and most creative cities in North America. In the past three years, Toronto has won numerous awards for quality, innovation and efficiency in delivering public services. Toronto's government is dedicated to prosperity, opportunity and liveability for all its residents.

Regards,  
Karen Thompson  
UDI - Kelowna Chapter  
t.250.717.3588  
f.250.861.3950  
e. [udikelowna@shaw.ca](mailto:udikelowna@shaw.ca)  
[www.udi.bc.ca](http://www.udi.bc.ca) <<http://www.udi.bc.ca>> <<http://www.udi.bc.ca>>  
[www.udi.canada.com](http://www.udi.canada.com) <<http://www.udi.canada.com>> <<http://www.udi.canada.com>>

----- End of Forwarded Message

# **QUANTITY SURVEYOR'S REPORT**

October 29, 2008

SS+A

Mr. Paul Macklem, Director  
Financial Services  
City of Kelowna  
1435 Water Street  
Kelowna, BC V1Y 1J4

Dear Sir:

**Re: Development Cost Charges – Third Party Independent Review of Input Costs.**

We are pleased to submit this letter Report to you regarding our review of the input values that are to be used to set the City of Kelowna's Development Cost Charges (DCC's) for the 2009 Calendar Year.

**Background**

We were requested by the City to review the method and values that are used to determine the costs for infrastructure work carried out by the City which are funded in whole or in part by DCC's.

The City of Kelowna has a comprehensive and well organised historical data base of actual costs associated with infrastructure work that is undertaken by the City. This historical information forms the basis upon which Development Cost Charges (DCC's) are developed for forthcoming years.

The City uses this historical information to project current costs, using projected forward escalation factor(s) as well as a standard risk factor for upcoming projects that have not yet been designed. Anticipated Projects are split into various Classes.

- Class D which is the very earliest type of estimate based upon historical data, without the benefit of any engineering design and carries the greatest risk of price change. Traditionally the City uses a contingency on these estimates of 25%.
- Class C which is based upon Schematic Design. Traditionally the City uses a contingency on these estimates of 20%
- Class B which is based upon partially completed construction working drawings. Traditionally the City uses a contingency on these estimates of 15%.
- Class A which is based upon completed construction working drawings. Traditionally the City uses a contingency on these estimates of 10%.

Spiegel Skillen + Associates Ltd

[ 203.3320 Richter Street Kelowna BC V1W 4V5 • 250.762.6628 • 250.762.6684 • www.ssa.bc.ca ]



As a project reaches the final working drawings stage, the cost variation risk associated with the project diminishes. These projects are then tendered in a competitive environment, the actual cost monitored and tracked and the final costs then contribute to the historical data base.

Over the past few years, during which construction costs increased at a rate that far outstripped normal inflation, the City has been trying to keep up with these costs by adjusting DCC's annually to compensate for changing costs that the City faces. The development community is, naturally, concerned about increasing DCC costs as these impact the financial feasibility of new developments.

We acknowledge receipt of various spreadsheets that contain the information that the City currently uses for development of the DCC values.

Using the detailed information provided to us by the City, we have:

1. Reviewed this cost information and also compared it to other similar cost information that we have in our own cost data base from other similar projects.
2. Provided our opinion of the costs specific to the work that the City of Kelowna carries out through it's competitive tendering process.
3. Provided our opinion on current escalation rates that may be applicable to the type of work that these contracts and costs cover.
4. Provided our opinion on the reasonableness of the costs to be used for the development of the DCC's for the forthcoming DCC update.

### **Report:**

We were provided with all of the detailed information, spreadsheets, tender results, certificates for payment, estimates and the 2007 and 2008 data bases used to develop the estimates.

It is clear to us that the City staff have a clear and methodical approach to the development of these DCC input costs.

- Values from current projects that have been tendered are used as the basis for projecting the future costs that contribute to the DCC calculation. This is, in our opinion, a fair and reasonable method, as tendered values represent the most current market conditions. The tendered prices for these infrastructure works are always based upon a unit rate form of contract where the tender values are calculated based

upon estimated values developed by the consultant that has developed the construction working drawings for the project. These quantities, measured by the design consultant, are the basis upon which the bidders submit their prices by the inclusion of unit rates for each measured quantity in the tender form. The quantities and unit prices are then multiplied and these values are then added up for all items and a total tender value developed. On this basis, in general, a low bidder is selected to carry out the work. In reviewing the tender evaluation sheets (quantities and unit rates), it is quite clear that recent experience shows that there are significant differences in the unit rates that are quoted by the various bidders.

- For example, on the **Swamp Road Tenders**, the following differences were noted in the unit rates. We note that the Swamp Road project did exceed its budget due to unforeseen soil conditions. However, we believe that the unit rate tender values must be indicative of the market at that time, as these prices were submitted through a competitive bidding process from 4 bidders in a public tendering forum. The fact that the quantities for the preload varied so much was a function of unknown sub-soil conditions and was not a market factor.

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Clearing & Grubbing per m <sup>2</sup>	\$2.00	\$6.50	\$4.40	\$6.00	\$5.00
Difference as a % compared to Engineer's Estimate	N/A	225%	120%	200%	150%

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Biaxial Geogrid - Tensar BX1200 per m <sup>2</sup>	\$6.50	\$2.70	\$2.72	\$4.00	\$5.00
Difference as a % compared to Engineer's Estimate	N/A	-58%	-58%	-38%	-23%

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Preload / Import Embankment Fill per m <sup>3</sup>	\$10.00	\$13.80	\$14.05	\$15.00	\$14.00
Difference as a % compared to Engineer's Estimate	N/A	38%	41%	50%	40%

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3	Bidder 4
Sawcutting Asphalt per m	\$10.00	\$14.00	\$110.00	\$8.00	\$5.00
Difference as a % compared to Engineer's Estimate	N/A	40%	1000%	-20%	-50%

We also reviewed unit rates from the HIGH 2 ROAD & CLIFTON ROAD 1 Contract:

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3
Sawcut, remove and dispose of concrete curb per m	\$8.00	\$31.50	\$27.00	\$10.80
Difference as a % compared to Engineer's Estimate	N/A	294%	238%	35%

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3
Common excavation, on-site re- use per m <sup>3</sup>	\$8.00	\$11.75	\$8.30	\$18.70
Difference as a % compared to Engineer's Estimate	N/A	47%	4%	134%

	Engineer's Estimated Value	Bidder 1	Bidder 2	Bidder 3
Pipe, PVC Ultra Rib 250 mm diameter per m	\$160.00	\$255.00	\$253.00	\$437.00
Difference as a % compared to Engineer's Estimate	N/A	59%	58%	173%

As can be seen from these few examples from 2 different projects, there are significant differences between the unit rates that are tendered by each bidder and these also differ significantly from the unit rates estimated by the engineer who prepared the pre-tender estimate. We have compared the unit rates provided to us that form the basis of the 2008 Unit Rate calculations for DCC's, with other private sector and public sector projects and confirm that these unit rates are reasonably indicative of what has been happening in the market over the past few years. The variations in the rates amongst the various bidders are

indicative of the market the we have experienced over the past few years. We do, however, expect that this will change and the market will become far more competitive and reasonable in the near term due to the impending recession being predicted for Canada.

- These unit rates are then used, with the successful bidder to pay them over the course of the contract to certify payments, based upon actual quantities. A review of the Swamp Road contract identifies major discrepancies in the Engineer's measured quantities at tender time, and the actual quantities encountered on during the course of the contract, for example. We note that we have not shown the quantities for the preload:

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 15
Close Cut Clearing per m <sup>2</sup>	10,000	16,339
Difference as a % compared to Engineer's Estimate	NA	63%

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 15
Biaxial Geogrid - Tensar BX1200 per m <sup>2</sup>	26,500	34,670
Difference as a % compared to Engineer's Estimate	NA	31%

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 15
Hydraulic Seeding per m <sup>2</sup>	5,000	19,200
Difference as a % compared to Engineer's Estimate	NA	284%

The following analysis is from the High Road Clifton Project, just now in the process of completion. The values are taken from Progress Certificate Number 11.

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 11
Common excavation, on-site re-use per m <sup>3</sup>	3,566	1,800
Difference as a % compared to Engineer's Estimate	NA	-50%

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 11
Stripping of organics, off site disposal per m <sup>3</sup>	2,658	2,226
Difference as a % compared to Engineer's Estimate	NA	-16%

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 11
Asphalt lower course, 60 mm per m <sup>2</sup>	20,707	20,815
Difference as a % compared to Engineer's Estimate	NA	1%

	Engineer's Estimated Quantity	Quantity Certified at Progress Certificate Number 11
Asphalt surface course, 50 mm per m <sup>2</sup>	2,157	2,848
Difference as a % compared to Engineer's Estimate	NA	32%

It can be seen from these examples that there can be significant differences between the quantities estimated by the engineer and the actual quantities encountered during the course of construction.

Clearly, these differences noted above will have a significant impact on the cost of the infrastructure work under these contracts.

The question then to be answered is what useful information can be taken from these tendered values and the actual outcome of the contracts, which can realistically contribute valid information to the DCC calculation. If there are such large variances in the unit rates submitted



by private sector contractors, how does the City interpret these in a meaningful way to develop the DCC values for future work. Using values from other non-City projects may be useful as information, but the reality is that the values that are tendered to the City and which form the basis of City infrastructure contracts, are the most valid base from which to develop estimates for future work. The fact that the construction market for infrastructure work has increased significantly over the past few years is clearly reflected in these unit rates.

It is our opinion, based upon the information that we have seen, and the method used to develop the values for the DCC calculation, that the values carried by the City for the DCC calculation, are reasonable and valid, based upon the historic costs available from recent historic information. As the market changes, so will these unit costs, and these will, on an ongoing basis, be tracked by the City for future year DCC Calculations.

The BC Ministry of Education develops location factors for school capital projects throughout the province. These factors indicate price changes in the construction market for various locations in the province including Kelowna. This index shows the Kelowna price change from March 2006 to January 2008 to be 27.7%. Although this is for school construction, it is a good indicator of the rapidly rising construction prices that were experienced over the past few years.

Statistics Canada publishes construction price indices for major centres in Canada. We have reviewed this index and, although not specific to Kelowna nor the Okanagan Valley, we show here the index for Vancouver from February 2006 to February 2007 and from February 2007 to February 2008.

<b>Table 327-0039 - Price indexes of non-residential building construction, by class of structure, quarterly (index, 1997=100) for Vancouver</b>	<b>06-Feb</b>	<b>07-Feb</b>	<b>08-Feb</b>	<b>Change Feb 06 to Feb 07</b>	<b>Change Feb 06 to Feb 08</b>
Non-residential building construction	132.50	150.80	165.90	13.8%	25.2%
Commercial structures	131.80	150.30	165.90	14.0%	25.9%
Industrial structures	136.80	155.60	170.90	13.7%	24.9%
Institutional structures	132.90	150.40	164.30	13.2%	23.6%

It can be seen that the local Kelowna factor from the BC Ministry of Education and the Statistics Canada Output Index coincide quite closely and confirm the level of escalation.

The further question to be answered is whether the current escalation allowance is reasonable.

The City has used a factor of 7%, based upon market information that has been published by others to increase those unit rates where actual tender results were not available.

It is our opinion that the 7% value used for the DCC calculation for the unit rate calculation for the 2008 Unit Rates, should be 6% rather than 7%. The market did not increase over the past year as rapidly as previous years. In future years, this value will most likely be even less, and may, in fact, over the next 12 to 18 months actually appear as a negative value. This, however, is speculation. The only thing that anybody knows for sure about predicting the future is that you will invariably be wrong. It is our opinion that the escalation factor should be reduced. We recommend a value of 6% for this current year calculation.

The City develops its DCC costs based upon historic information. In a year from now, it is conceivable and even likely that, using the same method, the DCC values may actually decrease. However, for the present, we are of the opinion that the method used and the values generated are reasonable as a basis for the calculation of the DCC values for 2008.

#### **Recommendation:**

It is our opinion that:

- Based upon the information that we have seen, and the method used to develop the values for the DCC calculation, that the values carried by the City for the DCC calculation, are reasonable and valid, based upon the historic costs available from recent historic information.
- The escalation value used between 2007 and 2008 should be at 6% rather than the 7% used.
- There should, be some additional rigour associated with the developed quantities for new infrastructure projects so that the risk associated with changes to these quantities is reduced or sufficient allowance is carried to compensate for these unknowns. We believe that many of the quantities developed at tender time and used by the bidders could be more accurate.
- A formalised system of Risk Analysis should be carried out on both the quantities as well as the unit rates established for each infrastructure project, at each stage of design from Class D to Class A Estimates. Risk Analysis, done on a formal basis, will identify the risks associated with the quantities and unit rates for each component of the project, and, using methods such as Monte Carlo or Latin Hypercube simulation, develop a scenario showing the expected Minimum, Mean, Median, and Maximum

values as well as the expected outcome at points such as the 90<sup>th</sup> and 95<sup>th</sup> percentiles. A distribution curve is fitted to these values and, using a Tornado Regression Analysis, the components which have the greatest effect on the outcome can be identified. This will, we believe, assist the City not only in developing budgets for new infrastructure projects, but also assist City staff in identifying high and low risk items within these projects and then developing risk mitigation strategies to deal with those risks.

Please call me if you have any queries or if you wish to discuss the contents of this letter Report.

Yours Truly

**SPIEGEL SKILLEN & ASSOCIATES LIMITED**

A handwritten signature in black ink, appearing to read 'Timothy J. Spiegel', with a stylized, flowing script.

Timothy J. Spiegel, B.Sc.(QS), PQS  
Director

# **RATE COMPARISON - REVISED & EXISTING**

**Residential 1 - Single Family, Duplex - density to 15 units per hectare - rate per unit****Comparison to current rates**

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I 9,176	A 1,757	A 1,562	A 3,044	5,069	20,608
Current	I 9,001	A 1,757	A 1,562	A 3,044	4,910	20,275
Clifton/Glen. Hghld (Updated)	I 9,176	D 3,054	A 1,562	A 3,044	5,069	21,905
Current	I 9,001	D 3,054	A 1,562	A 3,044	4,910	21,571
Glenmore Valley (Updated)	I 9,176	GEID	A 1,562	A 3,044	5,069	18,851
Current	I 9,001	GEID	A 1,562	A 3,044	4,910	18,517
Rutland (Updated)	I 9,176	RWW	A 1,562	A 3,044	5,069	18,851
Current	I 9,001	RWW	A 1,562	A 3,044	4,910	18,517
North East Rutland (Updated)	C 14,505	BMID	A 1,562	A 3,044	5,069	24,180
Current	C 14,331	BMID	A 1,562	A 3,044	4,910	23,847
Hwy 33 - North East (Updated)	D 16,932	BMID	A 1,562	A 3,044	5,069	26,607
Current	D 16,589	BMID	A 1,562	A 3,044	4,910	26,105
Hwy 33 - South West (Updated)	F 13,678	BMID	A 1,562	A 3,044	5,069	23,353
Current	F 13,334	BMID	A 1,562	A 3,044	4,910	22,850
University / Airport (Updated)	E 14,203	GEID	A 1,562	A 3,044	5,069	23,878
Current	E 13,945	GEID	A 1,562	A 3,044	4,910	23,461
McKinley (Updated)	E 14,203	GEID	N/A	N/A	5,069	19,272
Current	E 13,945	GEID	N/A	N/A	4,910	18,855
Hall Road (Updated)	I 9,176	SEKID	A 1,562	A 3,044	5,069	18,851
Current	I 9,001	SEKID	A 1,562	A 3,044	4,910	18,517
Southeast Kelowna (Updated)	A 25,529	SEKID	N/A	N/A	5,069	30,598
Current	A 24,847	SEKID	N/A	N/A	4,910	29,757
S.W. Mission (Updated)	B 23,743	B 1,289	B 1,979	A 3,044	5,069	35,124
Current	B 23,765	B 1,289	B 1,979	A 3,044	4,910	34,987

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period



**Comparison to current rates**

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
<b>City Centre (Updated)</b>	I 7,341	A 1,178	A 1,297	A 2,526	5,069	<b>17,411</b>
<b>Current</b>	I 7,201	A 1,178	A 1,297	A 2,526	4,910	<b>17,112</b>
<b>Clifton/Glen. Hghld (Updated)</b>	I 7,341	D 2,046	A 1,297	A 2,526	5,069	<b>18,279</b>
<b>Current</b>	I 7,201	D 2,046	A 1,297	A 2,526	4,910	<b>17,980</b>
<b>Glenmore Valley (Updated)</b>	I 7,341	GEID	A 1,297	A 2,526	5,069	<b>16,233</b>
<b>Current</b>	I 7,201	GEID	A 1,297	A 2,526	4,910	<b>15,934</b>
<b>Rutland (Updated)</b>	I 7,341	RWW	A 1,297	A 2,526	5,069	<b>16,233</b>
<b>Current</b>	I 7,201	RWW	A 1,297	A 2,526	4,910	<b>15,934</b>
<b>North East Rutland (Updated)</b>	C 11,604	BMID	A 1,297	A 2,526	5,069	<b>20,496</b>
<b>Current</b>	C 11,465	BMID	A 1,297	A 2,526	4,910	<b>20,198</b>
<b>Hwy 33 - North East (Updated)</b>	D 13,546	BMID	A 1,297	A 2,526	5,069	<b>22,438</b>
<b>Current</b>	D 13,271	BMID	A 1,297	A 2,526	4,910	<b>22,004</b>
<b>Hwy 33 - South West (Updated)</b>	F 10,942	BMID	A 1,297	A 2,526	5,069	<b>19,834</b>
<b>Current</b>	F 10,667	BMID	A 1,297	A 2,526	4,910	<b>19,400</b>
<b>University / Airport (Updated)</b>	E 11,362	GEID	A 1,297	A 2,526	5,069	<b>20,254</b>
<b>Current</b>	E 11,156	GEID	A 1,297	A 2,526	4,910	<b>19,889</b>
<b>McKinley (Updated)</b>	E 11,362	GEID	N/A	N/A	5,069	<b>16,431</b>
<b>Current</b>	E 11,156	GEID	N/A	N/A	4,910	<b>16,066</b>
<b>Hall Road (Updated)</b>	I 7,341	SEKID	A 1,297	A 2,526	5,069	<b>16,233</b>
<b>Current</b>	I 7,201	SEKID	A 1,297	A 2,526	4,910	<b>15,934</b>
<b>Southeast Kelowna (Updated)</b>	A 20,423	SEKID	N/A	N/A	5,069	<b>25,492</b>
<b>Current</b>	A 19,877	SEKID	N/A	N/A	4,910	<b>24,787</b>
<b>S.W. Mission (Updated)</b>	B 18,995	B 864	B 1,642	A 2,526	5,069	<b>29,096</b>
<b>Current</b>	B 19,012	B 864	B 1,642	A 2,526	4,910	<b>28,954</b>

BMID Serviced by Black Mountain Irrigation District

SEKID Serviced by South East Kelowna Irrigation District

RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

**Residential 3 - Row Housing & Up to 4 Story Apartments - density >35-85 units per hectare - rate per unit**
**Comparison to current rates**

	Sector / Rate									
GROWTH AREA	<u>Roads</u>		<u>Water</u>		<u>Sewer Trunks</u>		<u>Treatment</u>	<u>Parks</u>	<u>Total</u>	
City Centre (Updated)	I	5,047	A	844	A	875	A	1,704	5,069	13,539
Current	I	4,951	A	844	A	875	A	1,704	4,910	13,284
Clifton/Glen. Hghld (Updated)	I	5,047	D	1,466	A	875	A	1,704	5,069	14,161
Current	I	4,951	D	1,466	A	875	A	1,704	4,910	13,906
Glenmore Valley (Updated)	I	5,047	GEID		A	875	A	1,704	5,069	12,695
Current	I	4,951	GEID		A	875	A	1,704	4,910	12,440
Rutland (Updated)	I	5,047	RWW		A	875	A	1,704	5,069	12,695
Current	I	4,951	RWW		A	875	A	1,704	4,910	12,440
North East Rutland (Updated)	C	7,978	BMID		A	875	A	1,704	5,069	15,626
Current	C	7,882	BMID		A	875	A	1,704	4,910	15,371
Hwy 33 - North East (Updated)	D	9,313	BMID		A	875	A	1,704	5,069	16,961
Current	D	9,124	BMID		A	875	A	1,704	4,910	16,613
Hwy 33 - South West (Updated)	F	7,523	BMID		A	875	A	1,704	5,069	15,171
Current	F	7,334	BMID		A	875	A	1,704	4,910	14,823
University / Airport (Updated)	E	7,811	GEID		A	875	A	1,704	5,069	15,459
Current	E	7,670	GEID		A	875	A	1,704	4,910	15,159
McKinley (Updated)	E	7,811	GEID		A	N/A	N/A		5,069	12,880
Current	E	7,670	GEID		A	N/A	N/A		4,910	12,580
Hall Road (Updated)	I	5,047	SEKID		A	875	A	1,704	5,069	12,695
Current	I	4,951	SEKID		A	875	A	1,704	4,910	12,440
Southeast Kelowna (Updated)	A	14,041	SEKID		A	N/A	N/A		5,069	19,110
Current	A	13,666	SEKID		A	N/A	N/A		4,910	18,576
S.W. Mission (Updated)	B	13,059	B	619	B	1,108	A	1,704	5,069	21,559
Current	B	13,071	B	619	B	1,108	A	1,704	4,910	21,412

BMID Serviced by Black Mountain Irrigation District

RWW Serviced by Rutland Water Works

SEKID Serviced by South East Kelowna Irrigation District

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

**Residential 4 - Apartments Greater Than 4 Storeys** - greater than 85 units per hectare - rate per unit**Comparison to current rates**

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
<b>City Centre (Updated)</b>	I 4,771	A 598	A 844	A 1,644	5,069	<b>12,926</b>
<b>Current</b>	I 4,681	A 598	A 844	A 1,644	4,910	<b>12,677</b>
<b>Clifton/Glen. Hghld (Updated)</b>	I 4,771	D 1,038	A 844	A 1,644	5,069	<b>13,366</b>
<b>Current</b>	I 4,681	D 1,038	A 844	A 1,644	4,910	<b>13,117</b>
<b>Glenmore Valley (Updated)</b>	I 4,771	GEID	A 844	A 1,644	5,069	<b>12,328</b>
<b>Current</b>	I 4,681	GEID	A 844	A 1,644	4,910	<b>12,079</b>
<b>Rutland (Updated)</b>	I 4,771	RWW	A 844	A 1,644	5,069	<b>12,328</b>
<b>Current</b>	I 4,681	RWW	A 844	A 1,644	4,910	<b>12,079</b>
<b>North East Rutland (Updated)</b>	C 7,543	BMID	A 844	A 1,644	5,069	<b>15,100</b>
<b>Current</b>	C 7,452	BMID	A 844	A 1,644	4,910	<b>14,850</b>
<b>Hwy 33 - North East (Updated)</b>	D 8,805	BMID	A 844	A 1,644	5,069	<b>16,362</b>
<b>Current</b>	D 8,626	BMID	A 844	A 1,644	4,910	<b>16,024</b>
<b>Hwy 33 - South West (Updated)</b>	F 7,112	BMID	A 844	A 1,644	5,069	<b>14,669</b>
<b>Current</b>	F 6,934	BMID	A 844	A 1,644	4,910	<b>14,332</b>
<b>University / Airport (Updated)</b>	E 7,385	GEID	A 844	A 1,644	5,069	<b>14,942</b>
<b>Current</b>	E 7,251	GEID	A 844	A 1,644	4,910	<b>14,649</b>
<b>McKinley (Updated)</b>	E 7,385	GEID	N/A	N/A	5,069	<b>12,454</b>
<b>Current</b>	E 7,251	GEID	N/A	N/A	4,910	<b>12,161</b>
<b>Hall Road (Updated)</b>	I 4,771	SEKID	A 844	A 1,644	5,069	<b>12,328</b>
<b>Current</b>	I 4,681	SEKID	A 844	A 1,644	4,910	<b>12,079</b>
<b>Southeast Kelowna (Updated)</b>	A 13,275	SEKID	N/A	N/A	5,069	<b>18,344</b>
<b>Current</b>	A 12,920	SEKID	N/A	N/A	4,910	<b>17,830</b>
<b>S.W. Mission (Updated)</b>	B 12,346	B 438	B 1,069	A 1,644	5,069	<b>20,566</b>
<b>Current</b>	B 12,358	B 438	B 1,069	A 1,644	4,910	<b>20,419</b>

BMID Serviced by Black Mountain Irrigation District

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RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

**Residential 5 - Apartments With Habitable Area of 600 Sq. Ft.**  
**(use a per sq.ft. rate for less than 600)**

**Comparison to current rates**

GROWTH AREA	Sector / Rate					
	Roads	Water	Sewer Trunks	Treatment	Parks	Total
City Centre (Updated) <i>Current</i>	I 3,670	A 492	A 687	A 1,339	5,069	11,257
	3,600	A 492	A 687	A 1,339	4,910	11,029
Clifton/Glen. Hghld (Updated) <i>Current</i>	I 3,670	D 855	A 687	A 1,339	5,069	11,621
	3,600	D 855	A 687	A 1,339	4,910	11,392
Glenmore Valley (Updated) <i>Current</i>	I 3,670	GEID	A 687	A 1,339	5,069	10,766
	3,600	GEID	A 687	A 1,339	4,910	10,537
Rutland (Updated) <i>Current</i>	I 3,670	RWW	A 687	A 1,339	5,069	10,766
	3,600	RWW	A 687	A 1,339	4,910	10,537
North East Rutland (Updated) <i>Current</i>	C 5,802	BMID	A 687	A 1,339	5,069	12,898
	5,732	BMID	A 687	A 1,339	4,910	12,669
Hwy 33 - North East (Updated) <i>Current</i>	D 6,773	BMID	A 687	A 1,339	5,069	13,869
	6,635	BMID	A 687	A 1,339	4,910	13,572
Hwy 33 - South West (Updated) <i>Current</i>	F 5,471	BMID	A 687	A 1,339	5,069	12,567
	5,334	BMID	A 687	A 1,339	4,910	12,270
University / Airport (Updated) <i>Current</i>	E 5,681	GEID	A 687	A 1,339	5,069	12,777
	5,578	GEID	A 687	A 1,339	4,910	12,515
McKinley (Updated) <i>Current</i>	E 5,681	GEID	N/A	N/A	5,069	10,750
	5,578	GEID	N/A	N/A	4,910	10,488
Hall Road (Updated) <i>Current</i>	I 3,670	SEKID	A 687	A 1,339	5,069	10,766
	3,600	SEKID	A 687	A 1,339	4,910	10,537
Southeast Kelowna (Updated) <i>Current</i>	A 10,211	SEKID	N/A	N/A	5,069	15,280
	9,939	SEKID	N/A	N/A	4,910	14,849
S.W. Mission (Updated) <i>Current</i>	B 9,497	B 361	B 871	A 1,339	5,069	17,137
	9,506	B 361	B 871	A 1,339	4,910	16,987

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RWW Serviced by Rutland Water Works

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

Note - There was no Residential 5 in the rates effective April 1, 2007

## Commercial - rate per 1,000 Sq.Ft.

## Comparison to current rates

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I 2,823	A 676	A 601	A 1,171	N/A	5,271
Current	I 2,770	A 676	A 601	A 1,171	N/A	5,218
Clifton/Glen. Hghld (Updated)	I 2,823	D 1,175	A 601	A 1,171	N/A	5,769
Current	I 2,770	D 1,175	A 601	A 1,171	N/A	5,716
Glenmore Valley (Updated)	I 2,823	GEID	A 601	A 1,171	N/A	4,595
Current	I 2,770	GEID	A 601	A 1,171	N/A	4,541
Rutland (Updated)	I 2,823	RWW	A 601	A 1,171	N/A	4,595
Current	I 2,770	RWW	A 601	A 1,171	N/A	4,541
North East Rutland (Updated)	C 4,463	BMID	A 601	A 1,171	N/A	6,235
Current	C 4,409	BMID	A 601	A 1,171	N/A	6,181
Hwy 33 - North East (Updated)	D 5,210	BMID	A 601	A 1,171	N/A	6,982
Current	D 5,104	BMID	A 601	A 1,171	N/A	6,876
Hwy 33 - South West (Updated)	F 4,208	BMID	A 601	A 1,171	N/A	5,980
Current	F 4,103	BMID	A 601	A 1,171	N/A	5,874
University / Airport (Updated)	E 4,370	GEID	A 601	A 1,171	N/A	6,142
Current	E 4,291	GEID	A 601	A 1,171	N/A	6,062
McKinley (Updated)	E 4,370	GEID	N/A	N/A	N/A	4,370
Current	E 4,291	GEID	N/A	N/A	N/A	4,291
Hall Road (Updated)	I 2,823	SEKID	A 601	A 1,171	N/A	4,595
Current	I 2,770	SEKID	A 601	A 1,171	N/A	4,541
Southeast Kelowna (Updated)	A 7,855	SEKID	N/A	N/A	N/A	7,855
Current	A 7,645	SEKID	N/A	N/A	N/A	7,645
S.W. Mission (Updated)	B 7,306	B 496	B 761	A 1,171	N/A	9,734
Current	B 7,312	B 496	B 761	A 1,171	N/A	9,740

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RWW Serviced by Rutland Water Works

SEKID Serviced by South East Kelowna Irrigation District

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

NOTE: Institutional rate is the same as commercial except

Schools to grade 12 and College Residences are not charged Roads DCC.



**Industrial - rate per acre - by growth area - by service type**  
**Comparison to current rates**

GROWTH AREA	Sector / Rate					
	<u>Roads</u>	<u>Water</u>	<u>Sewer Trunks</u>	<u>Treatment</u>	<u>Parks</u>	<u>Total</u>
City Centre (Updated)	I 9,176	A 4,921	A 4,375	A 8,522	N/A	26,994
Current	I 9,001	A 4,921	A 4,375	A 8,522	N/A	26,819
Clifton/Glen. Hghld (Updated)	I 9,176	D 8,551	A 4,375	A 8,522	N/A	30,623
Current	I 9,001	D 8,551	A 4,375	A 8,522	N/A	30,449
Glenmore Valley (Updated)	I 9,176	GEID	A 4,375	A 8,522	N/A	22,073
Current	I 9,001	GEID	A 4,375	A 8,522	N/A	21,898
Rutland (Updated)	I 9,176	RWW	A 4,375	A 8,522	N/A	22,073
Current	I 9,001	RWW	A 4,375	A 8,522	N/A	21,898
North East Rutland (Updated)	C 14,505	BMID	A 4,375	A 8,522	N/A	27,402
Current	C 14,331	BMID	A 4,375	A 8,522	N/A	27,228
Hwy 33 - North East (Updated)	D 16,932	BMID	A 4,375	A 8,522	N/A	29,829
Current	D 16,589	BMID	A 4,375	A 8,522	N/A	29,486
Hwy 33 - South West (Updated)	F 13,678	BMID	A 4,375	A 8,522	N/A	26,575
Current	F 13,334	BMID	A 4,375	A 8,522	N/A	26,231
University / Airport (Updated)	E 14,203	GEID	A 4,375	A 8,522	N/A	27,100
Current	E 13,945	GEID	A 4,375	A 8,522	N/A	26,842
McKinley (Updated)	E 14,203	GEID	N/A	N/A	N/A	14,203
Current	E 13,945	GEID	N/A	N/A	N/A	13,945
Hall Road (Updated)	I 9,176	SEKID	A 4,375	A 8,522	N/A	22,073
Current	I 9,001	SEKID	A 4,375	A 8,522	N/A	21,898
Southeast Kelowna (Updated)	A 25,529	SEKID	N/A	N/A	N/A	25,529
Current	A 24,847	SEKID	N/A	N/A	N/A	24,847
S.W. Mission (Updated)	B 23,743	B 3,609	B 5,541	A 8,522	N/A	41,415
Current	B 23,765	B 3,609	B 5,541	A 8,522	N/A	41,437

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RWW Serviced by Rutland Water Works

SEKID Serviced by South East Kelowna Irrigation District

GEID Serviced by Glenmore Ellison Irrigation District

N/A Not Applicable as Sewer will not be in that area within the 20 Year period

## Updated Development Cost Charge Rates

### ARTERIAL ROADS

#### Development Cost Charges Applicable to Development Within the Municipality

Development Type	Sector A SE Kelowna	Sector B South Mission	Sector C NE of Inner City	Sector D N of Hwy 33	Sector F S of Hwy 33	Sector E N of Inner City	Sector I Inner City
Residential 1	25,529	23,743	14,505	16,932	13,678	14,203	9,176
Residential 2	20,423	18,995	11,604	13,546	10,942	11,362	7,341
Residential 3	14,041	13,059	7,978	9,313	7,523	7,811	5,047
Residential 4	13,275	12,346	7,543	8,805	7,112	7,385	4,771
Residential 5	10,211	9,497	5,802	6,773	5,471	5,681	3,670
Commercial - Per 1,000 sq ft	7,855	7,306	4,463	5,210	4,208	4,370	2,823
Institutional A - Per 1,000 sq ft	7,855	7,306	4,463	5,210	4,208	4,370	2,823
Institutional B - Per 1,000 sq ft	0	0	0	0	0	0	0
Industrial/Campground Per Acre	25,529	23,743	14,505	16,932	13,678	14,203	9,176
Current Residential 1 Rate	24,847	23,765	14,331	16,589	13,334	13,945	9,001

### WATER

#### Development Cost Charges Applicable to Development Within the Municipality

Development Type	Sector A Inner City	Sector B South Mission	Sector D Glenmore/ Clifton
Residential 1	1,757	1,289	3,054
Residential 2	1,178	864	2,046
Residential 3	844	619	1,466
Residential 4	598	438	1,038
Residential 5	492	361	855
Commercial - Per 1,000 sq ft	676	496	1,175
Institutional A - Per 1,000 sq ft	676	496	1,175
Institutional B - Per 1,000 sq ft	676	496	1,175
Industrial/Campground Per Acre	4,921	3,609	8,551
Current Residential 1 Rate	1,757	1,289	3,054

## Updated Development Cost Charge Rates

### WASTEWATER TRUNK MAINS

Development Cost Charges Applicable to Development Within the Municipality

Development Type	Sector A Inner City	Sector B South Mission
Residential 1	1,562	1,979
Residential 2	1,297	1,642
Residential 3	875	1,108
Residential 4	844	1,069
Residential 5	687	871
Commercial - Per 1,000 sq ft	601	761
Institutional A - Per 1,000 sq ft	601	761
Institutional B - Per 1,000 sq ft	601	761
Industrial/Campground Per Acre	4,375	5,541

Current Residential 1 Rate	1,562	1,979
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### WASTEWATER TREATMENT

Development Cost Charges Applicable to Development Within the Municipality

Development Type	Sector A All City
Residential 1	3,044
Residential 2	2,526
Residential 3	1,704
Residential 4	1,644
Residential 5	1,339
Commercial - Per 1,000 sq ft	1,171
Institutional A - Per 1,000 sq ft	1,171
Institutional B - Per 1,000 sq ft	1,171
Industrial/Campground Per Acre	8,522

Current Residential 1 Rate	3,044
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**Updated Development Cost Charge Rates****PARKLAND - PUBLIC OPEN SPACE****Development Cost Charges Applicable to Development Within the Municipality**

<b>Development Type</b>	<b>Sector A All City</b>
Residential 1	<b>5,069</b>
Residential 2	<b>5,069</b>
Residential 3	<b>5,069</b>
Residential 4	<b>5,069</b>
Residential 5	<b>5,069</b>
Commercial - Per 1,000 sq ft	-
Institutional A - Per 1,000 sq ft	-
Institutional B - Per 1,000 sq ft	-
Industrial/Campground Per Acre	-

<b>Current Residential 1 Rate</b>	<b>4,910</b>
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