

REPORT TO COUNCIL



Date: November 13, 2012
File: 0705-75
To: City Manager
From: Director, Financial Services
Subject: School Site Acquisition Charge

Recommendation:

THAT Council receive the report from the Director, Financial Services, dated November 13, 2012, on the collection of the School Site Acquisition Charge.

Purpose:

To provide Council with information on the School Site Acquisition Charge that the City is required to collect beginning November 25, 2012.

Background:

A school site acquisition charge (SSAC) is imposed for the purpose of providing a portion of the funds needed to pay the capital costs of land required for future school sites. Under section 937 of the Local Government Act, the School District may request that the member municipalities collect from each eligible development in the School District a school site acquisition charge. To prepare for the charge an *Eligible School Sites Proposal* for School District #23 was completed in September of 2009. The proposal provided an estimate of the total eligible residential units over the ten year period and the land requirement to provide for growth. There are five new school site acquisitions identified at a total cost of \$40 million. Just over \$10 million of that total is to be captured through the school site acquisition charge. The proposed charge averages \$605 per residential unit and varies with the density of the development. The charge is to be collected by the member municipalities at the same time that DCC's are collected.

Council received a presentation on the SSAC from the School District on September 13, 2010, and requested staff to report back on the implications of the charge along with the estimated cost of administering the charge. Details in this regard were provided to Council at the February 28, 2011, Council meeting. At that meeting the following resolutions were approved:

THAT Council accepts the resolution from the Board of Education of School District No. 23 for the Eligible School Sites Proposal as attached as attachment 1 to the report of the Director, Financial Services dated February 23, 2011;

AND THAT Council direct staff to work with School District No. 23 and the Province in order to allow collection of an administrative charge that recovers the City of Kelowna's cost of collecting the School Site Acquisition Charge;

A handwritten signature in black ink, appearing to be a stylized 'K' or similar character.

AND FURTHER THAT the City of Kelowna supports the 2011 SILGA Resolution from the District of West Kelowna attached as attachment 2 to the report of the Director, Financial Services dated February 23, 2011, with regard to an equitable provincial system to collect funding School Site Acquisition Charges or equivalent charges from new developments on First Nation lands should local Boards of Education impose this charge on neighbouring municipalities.

The City of Kelowna, along with neighbouring municipalities, relayed their concerns to the School District on this new charge but an agreement was not able to be reached. A dispute resolution process was initiated and a facilitator was appointed by the Provincial government. The facilitator found that none of the objections fit the criteria relating specifically to the proposed eligible school sites required and the Minister approved the School District No. 23's Eligible School Sites Proposal. The Board of Education, School District No. 23, approved Bylaw No. 15 - School Site Acquisition Charge, on September 24, 2012, and local governments are required to collect the charge on applicable residential developments received after November 25th.

An agreement was reached with the School District to increase the administrative charge to provide for the recovery of the City's cost to collect the SSAC. The City's Development Cost Charge collection process has been adjusted to also collect the SSAC on each eligible development unit. The School District has advertised the charge and discussion with the development stakeholders has occurred.

Internal Circulation:

Director, Development Services

Legal/Statutory Authority:

Local Government Act, sections 937.2 to 937.91.

Financial/Budgetary Considerations:

Average annual cost to the City of Kelowna, over the 10 year period, is anticipated to be \$17,000 and will be recovered through the administration charge.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Existing Policy:

Personnel Implications:

External Agency/Public Comments:

Communications Comments:

Alternate Recommendation:

Submitted by:



K. Grayston, Director, Financial Services

Approved for inclusion:



Acting General Manager, Corporate Sustainability

cc: Director, Development Services
Director, Infrastructure Planning

Effective: Nov. 25, 2012
Created: Nov. 14, 2012

This bulletin is for informational purposes only.

PURPOSE

Under the Local Government Act, sections 937.2 to 937.91, the City of Kelowna is responsible for collecting school site acquisition charges on behalf of School District No. 23. The purpose of the charge is to provide for the collection of a portion of the funds required for the future acquisition of school sites needed as a result of new residential development. The balance of the funds required for future school site acquisitions and facility development will continue to be provided by the Province.

IMPLEMENTATION

The charge applies to residential development only. It applies to all new (additional) residential development potential created through subdivision or new construction that increases the number of dwelling units on a parcel.

The School Site Acquisition Charge (SSAC) is payable to the City of Kelowna for each eligible development unit;

1. At the time of final subdivision approval where the subdivision creates one or more new residential lots; or
2. Prior to the issuance of a building permit authorizing the construction, alteration or extension on a parcel of land of any building containing more than three self-contained dwelling units.

The charge is to be paid at the same time as the municipal development cost charge is paid. Hospitals, hotels, community care facilities and non-profit housing are exempt from school site acquisition charges (see below for complete list of exemptions). SSAC that exceed \$50,000 may be paid by instalments similar to the DCC program.

The charge amount varies by residential density, as outlined in the schedule below. The charge is based on the number of self-contained dwelling units on a gross hectare.

Charge Rates		
Category of Eligible Development (Units per Hectare, uph)	Established Charge per unit	Maximum Charge per unit (Regulation)
Low Density (< 21 uph)	\$756	\$1,000
Medium low (21 - 50 uph)	\$681	\$900
Medium (51 - 125 uph)	\$605	\$800
Medium high (126 - 200 uph)	\$529	\$700
High density (> 200 uph)	\$454	\$600

For information on School Site Acquisition Charges:

Larry Paul
School District #23
TEL 250 860-8888

Building & Permitting:

1435 Water Street
Kelowna, BC V1Y 1J4
TEL 250 469-8960
FAX 250 862-3314

Under certain conditions, the person required to pay a SSAC may, in place of the charge, or in partial payment of the charge, provide land to the City or to the board of education.

Exemption from school site acquisition charges

The following categories of eligible development are exempt from school site acquisition charges under section 937.3 (1) of the Municipal Act:

- a. hospitals as defined in section 1 of the Hospital Act;
- b. private hospitals or hospitals as defined in section 5 (1) of the Hospital Act;
- c. a hospital under paragraphs (c) to (e) of the definition of "hospital" in section 1 of the Hospital Insurance Act;
- d. bunkhouses or camp buildings;
- e. hotels as defined in the Residential Tenancy Act;
- f. community care facilities as defined in the Community Care Facility Act;
- g. non-profit housing, including facilities owned or operated by
 - i. a non-profit society incorporated under the Society Act,
 - ii. a municipality or a regional district,
 - iii. a college designated under the College and Institute Act,
 - iv. a university or institute named in the University Act, Royal Roads University Act, Institute of Technology Act, Technical University of British Columbia Act or University of Northern British Columbia Act,
 - v. a school board or a francophone education authority under the School Act, or
 - vi. an authority under the Independent School Act;
- h. a property for which financial assistance has been provided under the Human Resource Facility Act for non-profit housing;
- i. housing for elderly citizens for which a grant or other assistance has been given under section 8.1 of the Ministry of Lands, Parks and Housing Act;
- j. not-for-profit rental housing in respect of which a development cost charge has been waived or reduced under section 933 (12) of the Municipal Act;
- k. a non-profit housing cooperative under the Cooperative Association Act;
- l. a private mental hospital as defined in section 1 of the Mental Health Act.

For further information on the school site acquisition charge:

School Site Acquisition Charges: Larry Paul
School District #23
TEL 250 860-8888

Building Permit Applications: **Building & Permitting**
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