



COUNCIL REPORT  
Engineering & Public Works  
For the March 12, 2019 Council Meeting

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DATE: March 5, 2019  
TO: Jim Zaffino, CAO  
FROM: Rob Hillis, Engineering Manager  
RE: Capital Fees for New Sanitary Sewer and Water Connections to Properties and Existing Structures

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RECOMMENDED MOTION:

**THAT** Council adopt City of West Kelowna Fees and Charges Bylaw No. 0028.55, 2018.

RATIONALE:

By including the proposed changes to the Fees and Charges Bylaw 0028, existing properties and structures that connect to City infrastructure will pay an equitable capital amount for a new connection.

LEGISLATIVE REQUIREMENTS:

Community Charter, Division 2 Municipal Fees

194 (1) A council may, by bylaw, impose a fee payable in respect of

- (a) all or part of a service of the municipality,
- (b) the use of municipal property, or
- (c) the exercise of authority to regulate, prohibit or impose requirements.

Local Government Act, Division 19 – Development Cost Recovery

Development cost charges: imposition and collection

559 (1) A local government may, by bylaw, for the purpose described in subsection (2) or (3), impose development cost charges on every person who obtains:

- (a) Approval of a subdivision, or
- (b) A building permit authorizing the construction, alteration or extension of a building or structure.

BACKGROUND:

Prior to the adoption of the Development Cost Charges (DCC) Bylaw 0190, properties that did not have land use changes or improvements that connected to the City's sanitary sewer or water utility were required to pay Capital Expenditure Charges (CEC) or Local Service Area charges. These costs equitably recovered the impact of expanding the utility. Under the new DCC Bylaw 0190, only the approval of a subdivision or the authorization of a Building Permit, for works over \$75,000, is eligible for development cost recovery, as per the legislative requirements of the *Local Government Act*. The DCC Bylaw does not equitably include the impacts to the sanitary and water utility by all new connections.

Staff has reviewed the Development Cost Charges Bylaw and recommend that new water and sanitary sewer connections to existing properties and structures are collected capital charges

Capital Fees for new Sanitary Sewer and Water Connections to Properties and Existing Structures

through the Fees and Charges Bylaw. This will ensure that existing properties and structures that connect to City infrastructure, where previously on private systems such as wells or septic systems, pay an equitable amount for a new connection. It is recommended that those new connections pay the same amount per unit as a development as they are adding similar demands to the respective utility.

In addition to charging the same rates as the existing DCC charges, an additional agricultural fee is recommended to be included in the Fees and charges bylaw of \$16,159.68 per ha of irrigatable land. The proposed rate is the same as the Golf Course rate as the land use would provide a similar demand on the utility. Previously, Westbank charged a CEC of \$12,000.00 per ha and Lakeview charged \$14,025.0 per ha.

Table 1: Proposed Connection Capital Fees for new Sanitary Sewer Connections to Properties and Existing Structures

<b>5.0 New Sanitary Sewer Connection Capital Fee for Properties &amp; Existing Structures</b>	
5.1 Single Family Residential (per unit)	<b>\$85.21</b>
5.2 Carriage house (per m <sup>2</sup> of floor area)	<b>\$0.27</b>
5.3 Small residential (per unit)	<b>\$63.91</b>
5.4 Commercial (per m <sup>2</sup> of floor area)	<b>\$0.21</b>
5.5 Industrial (per m <sup>2</sup> of parcel area)	<b>\$0.47</b>
5.6 Institutional (per m <sup>2</sup> of parcel area)	<b>\$0.28</b>
5.7 Campground (per site)	<b>\$0.00</b>
5.8 Golf Course (per ha)	<b>\$0.00</b>
5.9 Agricultural (per ha)	<b>\$0.00</b>

Table 2: Proposed Connection Capital Fees for new Water Connections to Properties and Existing Structures

<b>5.0 New Water Connection Capital Fee for Properties &amp; Existing Structures</b>	
5.1 Single Family Residential	<b>\$2,938.12</b>
5.2 Carriage house (per m <sup>2</sup> of floor area)	<b>\$9.33</b>
5.3 Small residential (per unit)	<b>\$2,203.59</b>
5.4 Commercial (per m <sup>2</sup> of floor area)	<b>\$7.35</b>
5.5 Industrial (per m <sup>2</sup> of parcel area)	<b>\$16.32</b>
5.6 Institutional (per m <sup>2</sup> of parcel area)	<b>\$9.79</b>
5.7 Campground (per site)	<b>\$727.19</b>
5.8 Golf Course (per ha)	<b>\$16,159.68</b>
5.9 Agricultural (per ha)	<b>\$16,159.68</b>


COUNCIL REPORT/RESOLUTION HISTORY:


Date	Report Topic/Resolution	Resolution No.
2013-06-18	THAT Council supports, in principle, district wide development cost charges.	C223/13
2016-06-28	THAT Council adopt City of West Kelowna Development Cost Charge Bylaw No. 190, 2015;  THAT Council adopt City of West Kelowna Fees and Charges Amendment Bylaw No. 0028.43, 2016  THAT Council adopt Water Systems Amendment Bylaw No.	C250/16

	1108.01, 2016; and THAT Council approve the amended Development Cost Charge (DCC) Policy.	
2018-03-13	THAT Council give first, second, and third reading to City of West Kelowna Fees and Charges Bylaw No. 0028.55, 2018.	C165/18

Respectfully submitted,

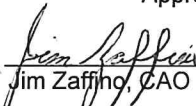
  
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 Rob Hillis  
 Engineering Manager

  
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 Allen Fillion  
 General Manager of Engineering &  
 Public Works

  
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 Bob Dargatz  
 Development Manager

*for:*   
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 Nancy Henderson  
 General Manager of Development  
 Services

Powerpoint:  Yes  No

Approved for Agenda	
 Jim Zaffino, CAO	<u>March 6, 2019</u> Date

CITY OF WEST KELOWNA

BYLAW NO. 0028.55

A BYLAW TO AMEND THE FEES AND CHARGES BYLAW

WHEREAS the Council of the City of West Kelowna wishes to amend "BYLAW NO. 0028" under the provisions of the *Community Charter*,

THEREFORE BE IT RESOLVED that the Council of the City of West Kelowna in open meeting assembled, hereby enacts as follows:

1. Title

This Bylaw may be cited as the "CITY OF WEST KELOWNA FEES AND CHARGES AMENDMENT BYLAW NO. 0028.55, 2018."

2. Amendments

"DISTRICT OF WEST KELOWNA FEES AND CHARGES BYLAW 2015 NO. 0028 " is hereby amended as follows:

2.1 By adding the following to Section A of Schedule 4 – Sanitary Sewer Use

<b>5.0 New Sanitary Sewer Connection Capital Fee for Properties &amp; Existing Structures</b>	
5.1 Single Family Residential (per unit)	\$85.21
5.2 Carriage house (per m <sup>2</sup> of floor area)	\$0.27
5.3 Small residential (per unit)	\$63.91
5.4 Commercial (per m <sup>2</sup> of floor area)	\$0.21
5.5 Industrial (per m <sup>2</sup> of parcel area)	\$0.47
5.6 Institutional (per m <sup>2</sup> of parcel area)	\$0.28
5.7 Campground (per site)	\$0.00
5.8 Golf Course (per ha)	\$0.00
5.9 Agricultural (per ha)	\$0.00

2.2 By adding the following to Section B of Schedule 4 - Water

<b>5.0 New Water Connection Capital Fee for Properties &amp; Existing Structures</b>	
5.1 Single Family Residential (per unit)	\$2,938.12
5.2 Carriage house (per m <sup>2</sup> of floor area)	\$9.33
5.3 Small residential (per unit)	\$2,203.59
5.4 Commercial (per m <sup>2</sup> of floor area)	\$7.35
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5.7 Campground (per site)	\$727.19
5.8 Golf Course (per ha)	\$16,159.68
5.9 Agricultural (per ha)	\$16,159.68

READ A FIRST, SECOND AND THIRD TIME THIS 13<sup>TH</sup> DAY OF MARCH, 2018  
ADOPTED

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MAYOR

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CITY CLERK



INFORMATION ONLY COUNCIL REPORT  
Engineering and Public Works  
For the March 12, 2019 Council Meeting

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DATE: February 28, 2019  
TO: Jim Zaffino, Chief Administrative Officer  
FROM: Bob Kusch, Parks, Recreation and Culture Manager  
RE: Application to Host RBC Cup 2021

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INTRODUCTION:

The ownership of the West Kelowna Warriors had requested the City to consider submitting an application to host the 2021 RBC Cup Junior "A" National Championship Tournament. As the deadline for informing the governing body of an intent to apply was February 20, 2019 staff needed to act quickly to inform the Warriors if the City was interested in proceeding. Staff determined that it would be in the best interests of the City not to proceed at this time and this information report is being provided to inform Council what information was used to make that determination.

BACKGROUND:

Kim Dobranski, Owner and President of the West Kelowna Warriors Jr. "A" hockey team approached the City of West Kelowna to consider submitting an application to host the 2021 RBC Cup Junior "A" National Championship Tournament. Staff were asked to analyze the implications to the City should it be decided to host this event in West Kelowna.

To acquire accurate information staff reviewed the application guidelines as well as the final report that was prepared by the City of Chilliwack at the conclusion of that City hosting the RBC Cup in 2018. The following information was a result of that review:

- The Chilliwack event resulted in a profit of \$56,000 approx. However this was after securing over \$823,000 in revenue from grants, sponsors, ticket sales, 50/50 draws, in kind contributions, auctions etc. . . . Further the City of Chilliwack, Tourism Chilliwack and the local First Nation each contributed \$25,000 and grants were also secured from Hockey Canada, BC Hockey and the Province of B.C. that totalled \$92,500. As these funds are not guaranteed and they were a significant portion of revenue there is no certainty that this funding could be attained if the event is conducted in West Kelowna.
- The Chilliwack event resulted in expenses of \$767,000 and staff believe that a few years later these expenses will be closer to \$900,000 which means the revenue projections would need to be greater in 2021.
- Prospera Centre in Chilliwack is a more sophisticated arena than Royal LePage Place as it already has a media area, box seats, rooms within the complex for meetings and gatherings etc. We would need to undertake some temporary renovations to accommodate some of these features and it would have to be at the expense of the City or Warriors and could be in the \$50,000 - \$100,000 range.
- Chilliwack started with the need for 150 volunteers to run the event and had to enter a campaign, after the event had started, to increase their original number. This is a large

demand on West Kelowna residents and acquiring this number of volunteers could be a challenge.

- Under the application guidelines The City of West Kelowna and the West Kelowna Warriors would have to be the guarantor for any losses should revenue projections not be achieved or unexpected expenses might be encountered. This could become a large liability for the City if the event were to be taken on.
- The timeline for an expression of interest was February 20, 2019. That short timeline made it difficult for staff to totally assess the costs for renovations or temporary measures to host the event as well as a more complete analysis of the other financial requirements of the City and the economic impact for the community.


The information stated above was presented to the CAO, Jim Zaffino and with the short timeline and need to fully understand the implications of hosting this event, the CAO determined that the City should not pursue applying for the event at this time. The West Kelowna Warriors have been informed that, although the City is not interested in hosting the event in 2021, the City would be interested in doing so in a future year with the proviso that there be enough lead time to properly evaluate the impacts of hosting the event.

FINANCIAL IMPLICATIONS:

Although there is no financial implication to the City with the decision made, if the City would have moved forward with this application, the City could encounter unknown expenses that could be in excess of \$100,000.

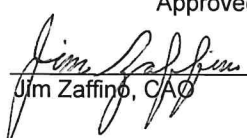
Respectfully submitted,

  
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Bob Kusch  
Parks, Recreation and Culture Manager

  
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Allen Fillion  
GM Engineering and Public Works

Powerpoint: Yes  No

Attachments:

Approved for Agenda	
 Jim Zaffino, CAO	March 6, 2019 Date