Welcome to the Development Cost Charge (DCC) Bylaw Update Public Information Session

June 9, 2015

The purpose of this Public Information Session is to:

- introduce new road, water, sewer, drainage, and parks DCC capital programs

- introduce proposed DCC rates

- gather input on the new DCC program and rates from the community and members of the development industry

If you have any questions regarding the DCCs, please ask City staff or Urban Systems, our consultant.

Also, please take some time to complete the Comment Sheet.

Thank you for taking the time to attend this Open House.

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What do DCCs pay for?

- DCCs can be levied for:

  - road infrastructure

  - water infrastructure

  - sanitary sewer infrastructure

  - drainage infrastructure

  - park acquisition and development

- Infrastructure needs must be related to development

- By legislation, DCCs cannot be used to pay for:

  - operation and maintenance of City's engineering infrastructure or parkland

  - new or upgraded works needed only for the existing population

  - new libraries, fire halls, police stations, recreation buildings, parking, sports field lighting, artificial turf, skate and spray parks

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Who pays DCCs?

- DCCs are a "developer's share" approach to funding infrastructure related to growth.

- Applicants pay for DCCs at:
    - subdivision approval to create single family development sites
    - building permits to construct multi-family, commercial, industrial, or institutional development

Why does the City's levy DCCs?

- To pay for the costs of expanding and upgrading the City's road, water, sanitary sewer, drainage, and park infrastructure to meet the needs and impacts of growth

- The Comox Valley Regional District also levies DCCs for water and sanitary sewer services.

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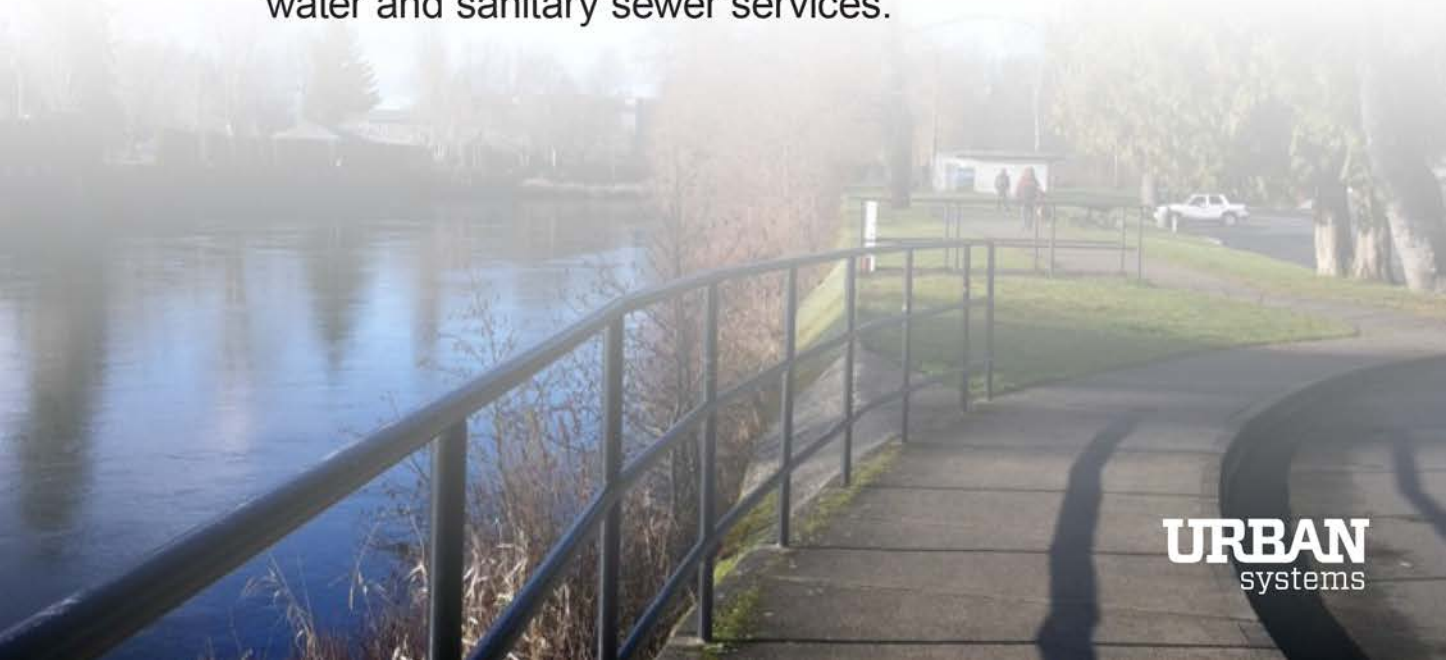
Why update the DCC bylaw?

- Development cost charge bylaws must be reviewed periodically to ensure consistency with development and servicing plans and accurately reflect construction costs

- The last major review of the DCC programs and rates was completed in 2005. Since then, the following changes have taken place:

  - municipal boundaries have been expanded
  - completed or partially complete projects have been removed / costs adjusted
  - construction costs have been updated
  - growth projections have been revised
  - DCC reserves have been updated

- The City should now revise its DCC rates to reflect these changes

How were the new rates calculated?

The following steps were used to calculate the new DCC rates:

STEP 1: **Estimate Growth**
Growth estimates were revised to reflect land use plans for the City of Courtenay.

STEP 2: **Determine Capital Costs**
To service anticipated growth, existing capital programs were updated.

STEP 3: **Determine Benefit Allocation**
To ensure costs were shared fairly between new and existing development, a benefit allocation was determined for each DCC project. The benefit allocation is the percentage of a project's costs that is attributed to growth.

STEP 4: **Determine Municipal Assist Factor**
The *Local Government Act* requires municipalities to assist new development with the DCC program costs. The City of Courtenay proposes to contribute 5% of DCC recoverable costs to assist development. This decision is determined by City Council.

STEP 5: **Determine Equivalent Units**
Different land uses have different impacts on infrastructure. To reflect these differences, equivalent units were used to allocate DCC costs across land uses.

STEP 6: **Calculate DCC Rates**
The final step was to calculate DCC rates. In general, this meant dividing the DCC costs by the amount of growth to generate a charge per unit or square metre area.

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Growth Projections (2015 to 2035)

Dwelling Type	New Units	Unit Measure
Residential (Single Family)	1,200	Unit
Residential (Multi-Family)	1,160	Unit
Commercial / Institutional	37,161	Sq metre total floor area
Industrial	10	Hectare

- The City expects 5,000 people to move to the City by 2035.

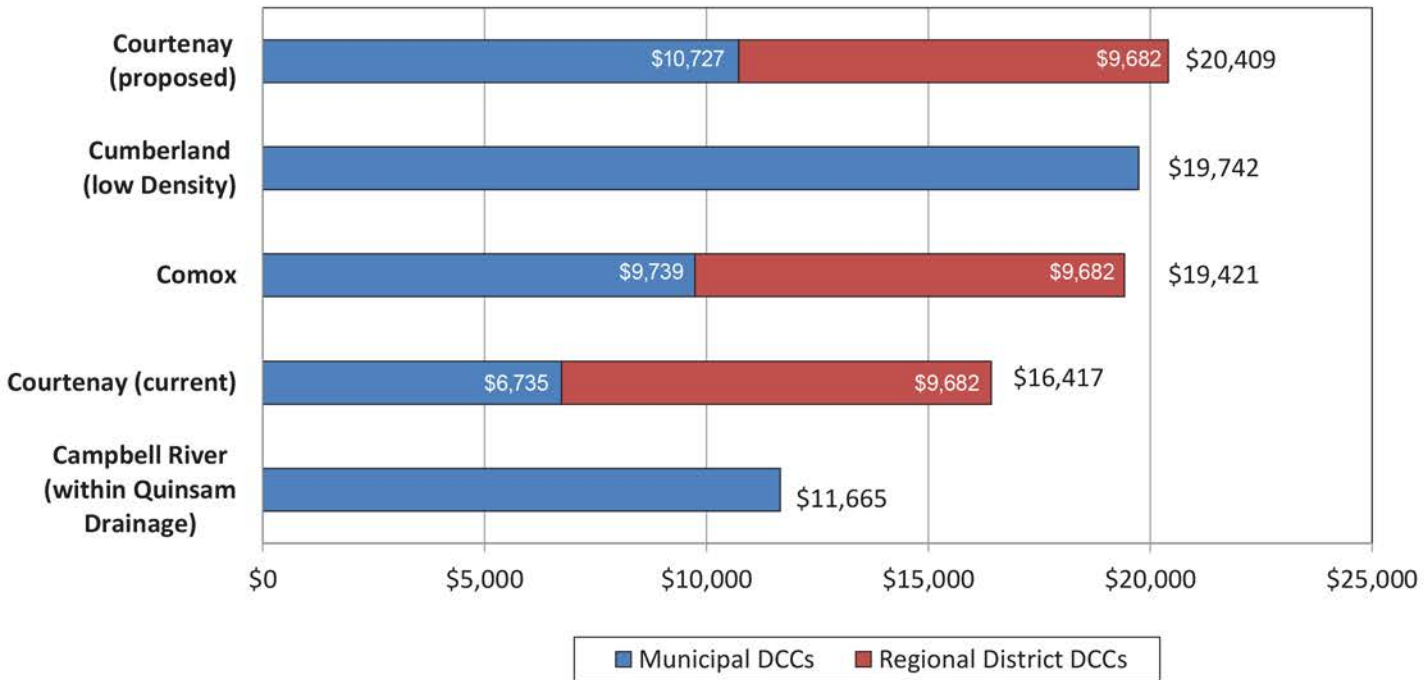## DCC Recoverable Costs and City Responsibility ($ millions)

DCC Program	Municipal Costs	DCC Recoverable Costs	Funding by Others	Total Capital Costs
Road	$33.30	$13.30	$15.00	$61.60
Water	$2.70	$1.90	$0	$4.67
Sanitary	$4.90	$4.20	$0	$9.10
Storm	$6.10	$4.80	$0	$10.90
Parks	$5.70	$2.90	$0	$8.60
Total	**$52.70**	**$27.10**	**$15.00**	**$94.90**

- Funding by Others reflects anticipated grants from other levels of government.

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DCC Comparison Graphs

Single Family Residential Land Use

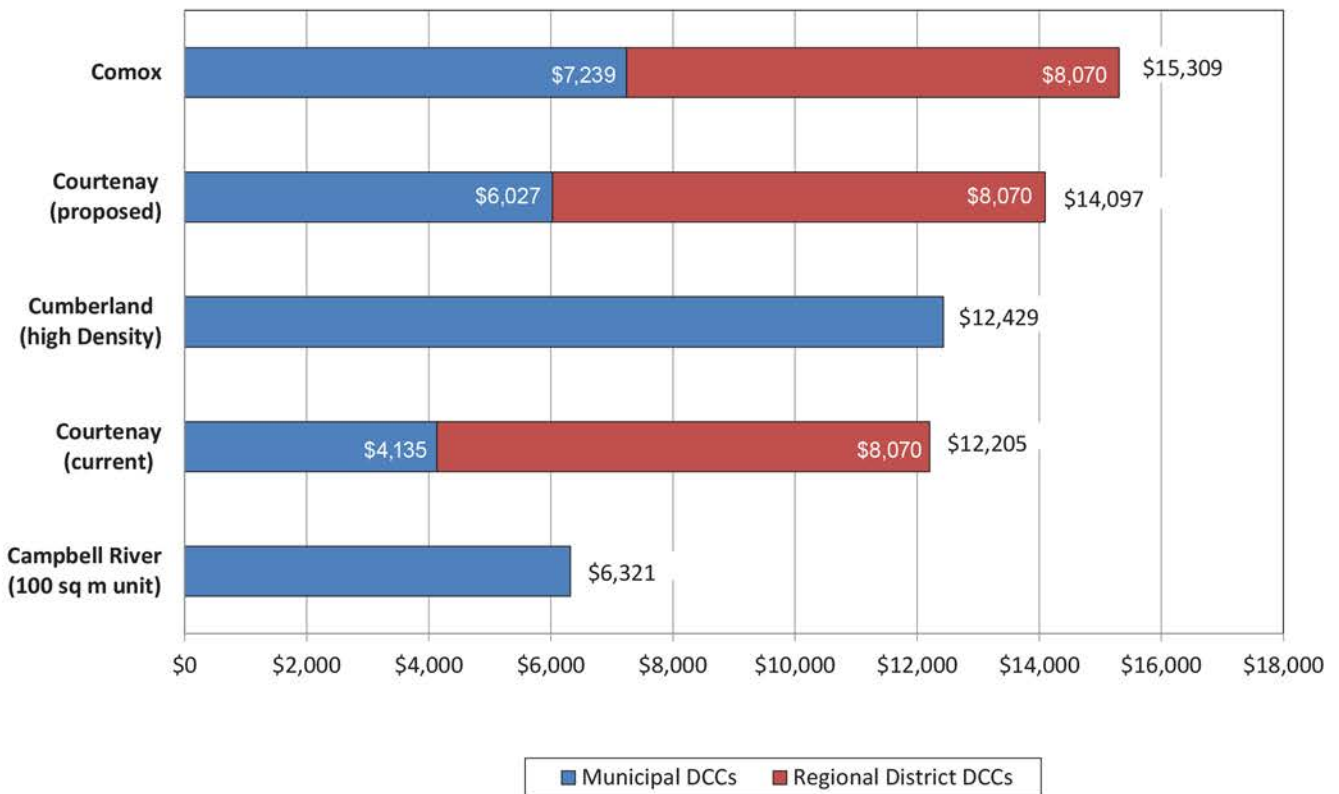| Municipality	Value
Courtenay (proposed)	$10,727 (Municipal) + $9,682 (Regional) = $20,409
Cumberland (low Density)	$19,742
Comox	$9,739 (Municipal) + $9,682 (Regional) = $19,421
Courtenay (current)	$6,735 (Municipal) + $9,682 (Regional) = $16,417
Campbell River (within Quinsam Drainage)	$11,665

Legend: ■ Municipal DCCs ■ Regional District DCCs

City of Courtenay DCCs are levied for roads, water distribution, sanitary sewer collection, drainage and park aquisition and development.

Comox Valley Regional District DCCs are levied for water treatment and sanitary sewer treatment.

DCC Comparison Graphs

Multi-Family Land Use

	Municipal DCCs	Regional District DCCs	Total
Comox	$7,239	$8,070	$15,309
Courtenay (proposed)	$6,027	$8,070	$14,097
Cumberland (high Density)	$12,429		$12,429
Courtenay (current)	$4,135	$8,070	$12,205
Campbell River (100 sq m unit)	$6,321		$6,321

■ Municipal DCCs　■ Regional District DCCs

City of Courtenay DCCs are levied for roads, water distribution, sanitary sewer collection, drainage and park aquisition and development.

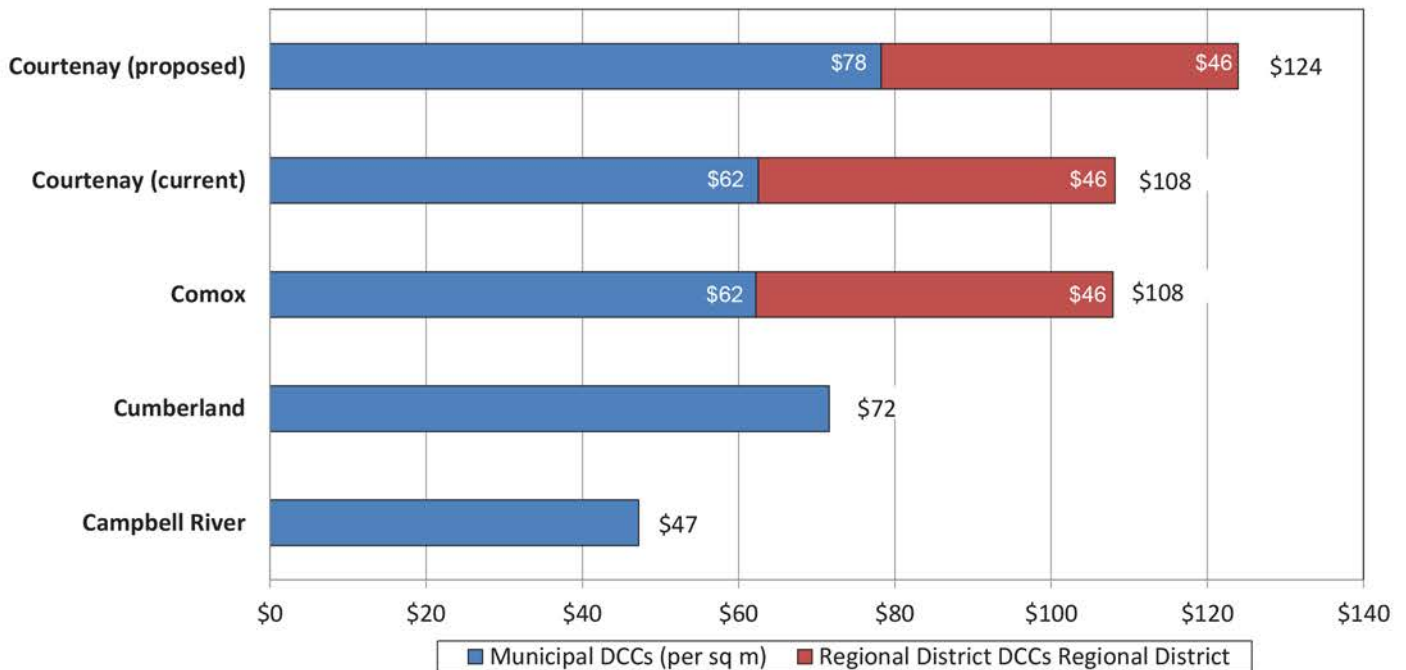Comox Valley Regional District DCCs are levied for water treatment and sanitary sewer treatment.

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DCC Comparison Graphs

Commercial Land Use

City of Courtenay DCCs are levied for roads, water distribution, sanitary sewer collection, drainage and park aquisition and development.

Comox Valley Regional District DCCs are levied for water treatment and sanitary sewer treatment.

Proposed DCC Rates

	Roads	Water	Sanitary Sewer	Storm Drainage	Parks	Total Development Cost Charge	
Residental (Single Family)	$4,726.49	$686.85	$1,751.68	$2,146.34	$1,415.47	$10,726.82	per unit
Residental (Multi-Family)	$2,655.79	$486.04	$1,239.55	$643.90	$1,001.63	$6,026.91	per unit
Commercial / Institutional	$62.25	$1.79	$4.56	$9.66	N/A	$78.26	per sq metre
Industrial	$50,776.06	$11,504.59	$29,340.26	$36,489.56	N/A	$128,110.46	per hectare

Current DCC Rates

Land Use	Roads	Water	Sanitary	Stormwater	Parks	Total Development Cost Charge	
Residental (Single Family)	$3,769.00	$433.00	$764.00	$1,071.00	$698.00	$6,735.00	per unit
Residental (Multi-Family)	$2,313.00	$343.00	$605.00	$321.00	$553.00	$4,135.00	per unit
Commercial / Institutional	$54.00	$1.00	$2.00	$5.00	N/A	$63.00	per sq metre
Industrial	$44,215.00	$8,117.00	$14,315.00	$18,212.00	N/A	$84,858.00	per hectare

Next Steps

- Inform Council of the comments received and any refinements to the DCC program and rates

- Introduce an amending DCC bylaw for Council's consideration for three readings

- Send the bylaw to the Provincial Inspector of Municipalities for approval

- Council gives the DCC bylaw fourth reading

- Implement new DCC rates

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DCC Waivers

- Provincial legislation allows local governments to waive some or all of the DCCs for certain kinds of development, inlcuding:

  - Not-for-profit rental housing, including supportive living housing,
  - For-profit affordable rental housing,
  - Small lot subdivisions designed for low GHG emissions, and
  - Development designed to result in low environmental impact.

The City must recover the entire amount of the waived DCCs from existing development (i.e. existing ratepayers).

- The City is exploring a full or partial DCC waiver for high density residential developments and the high density residential portion of mixed-use developments in downtown Courtenay.

Do you support this proposed waiver?
Would it encourage you to develop more in Courtenay?

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