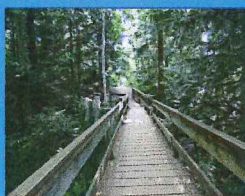


DCC Review



May 23, 2017

CITY OF NANAIMO
THE HARBOUR CITY

What are Development Cost Charges (DCCs)?

- They are monies collected from development to offset some of the infrastructure expenditures to service the needs of new development

How are they Determined?

$$\text{DCCs} = \frac{\text{Cost of New Infrastructure to Service Growth}}{\text{Growth}}$$

What can DCCs be Collected for?

- The Local Government Act (LGA) Section 559(2) states:
 - (2) Development cost charges may be imposed under subsection (1) for the purpose of providing funds to assist the local government to pay the capital costs of
 - (a) providing, constructing, altering or expanding sewage, water, drainage and highway facilities, other than off-street parking facilities, and
 - (b) providing and improving park land

Sanitary
Collection

Drainage
(Storm)

Water
Distribution

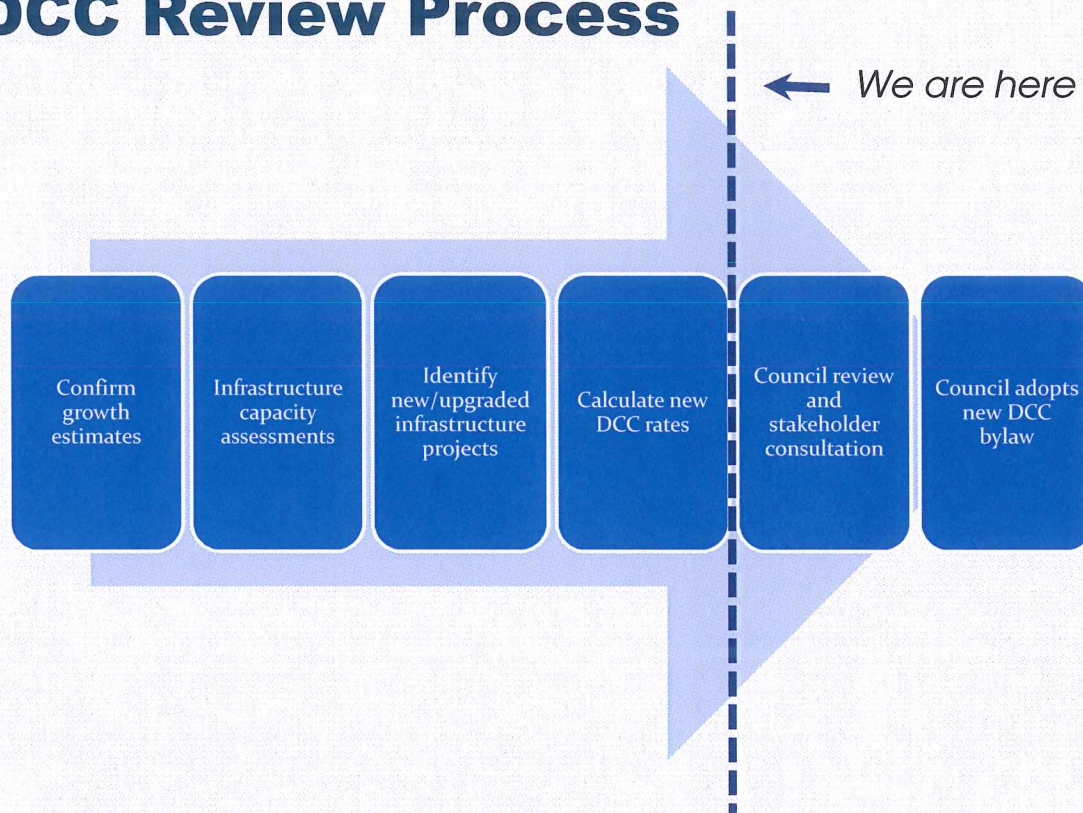
Roads

Water
Supply

Parks

Sanitary
RDN

DCC Review Process





Confirm Growth Estimated for Proposed Timeframe

- Modest growth \approx 1.24% annum - 33,050 new residents
- Total new dwellings - 17,775
- New Commercial/Office - 207,160 m² (2.2 M ft²)
- New Industrial - 218,479 m² (2.35 M ft²)

Identify New and/or Upgraded Infrastructure Required for Growth

Confirm growth estimates

Infrastructure capacity assessments

Identify new/upgraded infrastructure projects

Calculate new DCC rates

Council review and stakeholder consultation

Council adopts new DCC bylaw

Infrastructure Type	Total Project Cost	Based on Project Benefit Factor	
		Allocated to Existing	Allocated to Growth
Transportation	* \$ 158,106,881	\$ 47,159,607	\$ 98,926,506
Sewer	\$ 41,458,182	\$ 10,563,007	\$ 30,895,171
Storm	\$ 27,729,167	\$ 12,436,049	\$ 15,293,119
Water Distribution	\$ 18,277,148	\$ 7,068,932	\$ 11,208,215
Water Supply	\$ 133,103,260	\$ 12,400,000	\$ 120,703,260
Parks	\$ 42,872,700	\$ 17,182,141	\$ 25,696,559
Total	\$ 421,547,338	\$ 106,809,736	\$ 302,722,830

* Portion of total project cost allocated to Province

Draft DCC Rates

Confirm
growth
estimates

Infrastructure
capacity
assessments

Identify
new/upgraded
infrastructure
projects

Calculate new
DCC rates

Council
review and
stakeholder
consultation

Council
adopts new
DCC bylaw

Categories	Single Family Dwelling	Small Lot SFD	Multifamily Dwelling				Commercial/ Institutional		Industrial	Mobile Home	Camp Grounds
			DT	Zone 2	Zone 3	Zone 4	DT	Zone 2			
	\$ per lot	\$ per lot	\$ per m ²				\$ per m ²		\$ per m ²	\$ per unit	\$ per unit
Sanitary Sewer	\$1,787.04	\$1,250.93	\$10.77	\$10.77	\$10.77	\$10.77	\$10.22	\$10.22	\$2.61	\$1,098.28	\$279.22
Drainage**	75.94	56.20	0.38	0.38	0.38	0.38	0.38	0.38	0.38	49.36	15.19
Water Distribution	306.34	214.44	1.85	1.85	1.85	1.85	1.75	1.75	0.45	188.27	47.87
Water Supply	5,619.55	3,933.69	33.86	33.86	33.86	33.86	32.14	32.14	8.20	3,453.68	878.06
Parks	1,734.12	1,213.89	10.45	10.45	10.45	10.45	-	-	-	1,065.76	270.96
Roads	5,175.64	3,960.95	13.20	21.13	31.69	36.97	26.41	73.94	26.41	3,696.89	1,584.38
Total	\$14,698.63	\$10,630.10	\$70.51	\$78.44	\$89.00	\$94.28	\$70.90	\$118.43	\$38.05	\$9,552.24	3,075.68

Existing vs. Draft Rates

2008 DCC Bylaw Rates						
Categories	SFD	Multifamily	Comm/Inst	Industrial	M.H.P	Campgrounds
CON DCCs	\$13,787.50	82.70	70.06	17.90	8,424.46	\$2,032.92
RDN Sanitary	2,272.85	13.40	13.60	3.45	1,346.75	276.30
Total DCCs	\$16,060.35	96.10	83.66	21.35	9,771.21	\$2,409.22

Current DCC Review Rates								
Categories	SFD	Multifamily		Comm/Inst		Industrial	M.H.P	Campgrounds
CON DCCs	\$14,698.63 Small lot \$10,630.10	DT	70.51	DT	70.90	38.05	9,552.24	\$3,075.68
		Z1	78.44	Other	118.43			
		Z2	89.00					
		Z3	94.28					
RDN Sanitary	2,951.37	17.40		17.66		4.50	1,748.81	482.21
Totals DCCs	\$17,650.00 Small lot \$13,581.47	DT	70.51	DT	70.90	42.55	11,301.05	\$3,557.89
		Z1	95.84	Other	136.09			
		Z2	106.40					
		Z3	111.68					

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DCC Rate Comparison

	SFD per lot or unit	MFD 102 m ² /unit	Commercial per m ²	Institutional per m ²	Industrial per m ²
Nanaimo (proposed)					
Local	\$ 14,699.05	\$ 9,072.90	\$ 118.43	\$ 118.43	\$ 38.05
RDN	2,951.37	1,774.80	17.66	17.66	4.50
Total	\$ 17,650.42	\$ 10,847.70	\$ 136.09	\$ 136.09	\$ 42.55 (2)
Lantzville (2007)					
Local	15,913.45	11,206.82	102.02	255.89	15.86
RDN	2,951.37	1,774.80	17.66	17.66	4.50
Total	18,864.82	12,981.62	119.68	273.55	20.36
Qualicum Beach (2005)					
Local	11,773.00	9,053.52	82.71	N/A	30.58
RDN	10,067.10	7,753.02	43.14	52.73	43.14
Total	21,840.10	16,806.54	125.85	52.73	73.72 (3)
Parksville (2014)					
Local	14,489.99	8,662.35	94.07	100.25	61.18
RDN	10,067.10	7,753.02	43.14	52.73	43.14
Total	24,557.09	16,415.37	137.21	152.98	104.32
Ladysmith (2011)	12,779.26	7,226.48	97.67	85.57	36.61 (4)
Duncan (2016)	7,814.59	9,399.09	37.93	36.15	33.93 (5)
Kamloops (2013)	9,525.00	5,596.60	78.37	95.40	43.63
Kelowna (2011)	26,721.84	19,163.21	75.03	74.90	8.19
Prince George (2010)	4,291.25	2,275.50	32.88	24.81	5.19
Langford	15,232.34	9,667.53	64.45	84.75	15.66

(1) Used average rates for categories other than SFD where small lot rates were not included.

(2) Used MF Zone 3 for CON as it is expected to have the highest growth. Commercial rate for DT not reflected.

(3) Downtown DCC Reduction Bylaw not reflected in these rates.

(4) Ladysmith does not pay Regional District DCCs and also levies a institutional bed charge for assisted living facilities not reflected above.

(5) Duncan has DCC reductions for MF homes that reach desired density levels (50% reduction for 100 units/hectare) not reflected above.

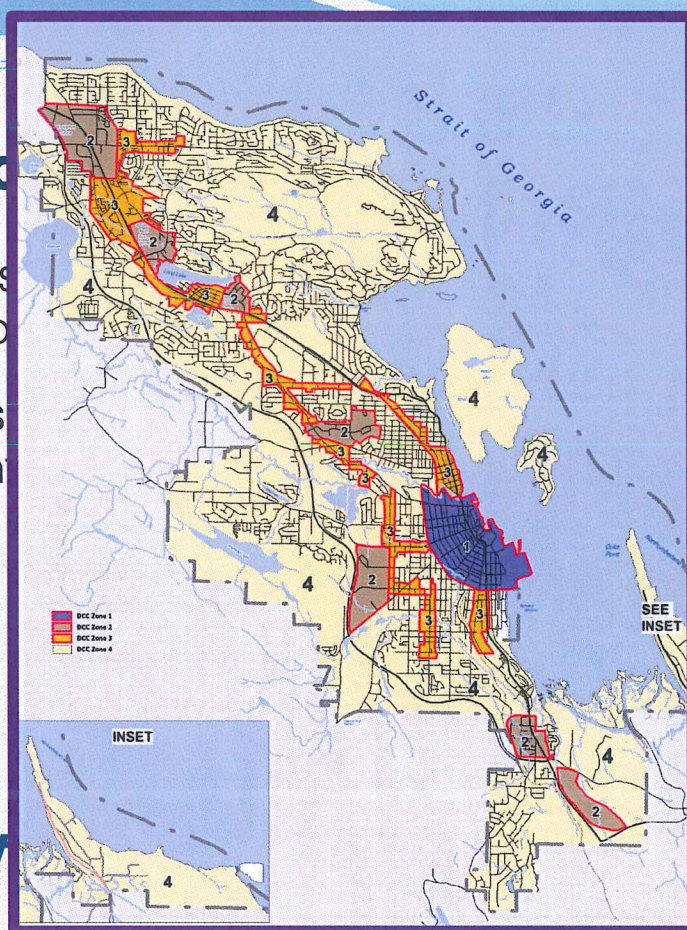
New Road DCC Model

- Cost distribution based on vehicle trips by category
- Factors in location of multi-family residential development

Substantive Changes to DCC Framework

New Road

- Cost dis
catego
- Factors
residen



Subst

ework

New Storm Water Distribution Model

- Charges now based on building footprint vs. gross floor area
- Better reflects capital cost burden based on form of development

Substantive Changes to DCC Framework

Introduction of New Small Lot DCC Category

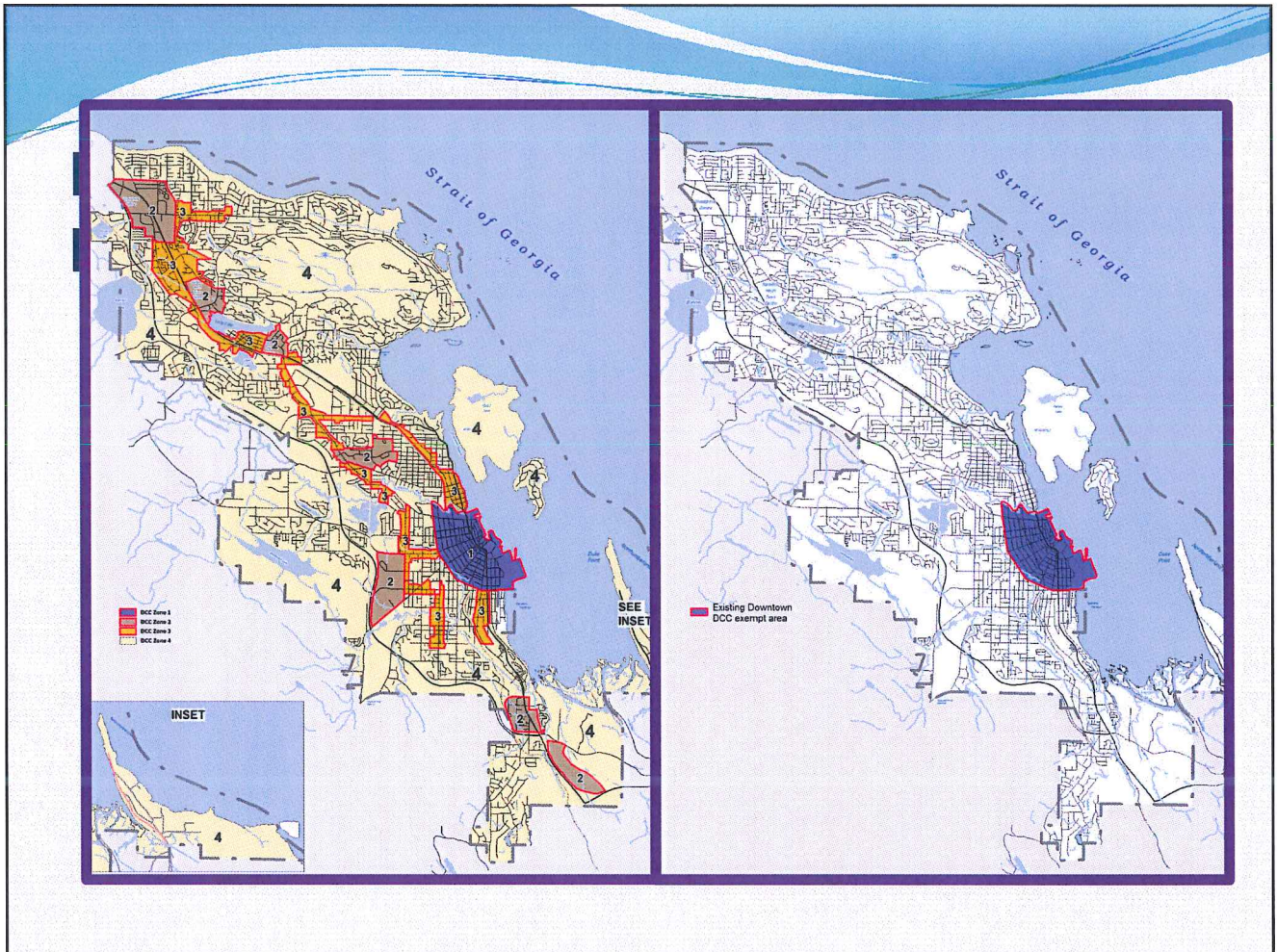
- At present, all single family lots, regardless of size, are charged the same DCC rate
- New framework proposes a reduced charge for lots < 370 m² and row houses

Substantive Changes to DCC Framework

New Approach to Urban Nodes/ Mobility Hubs

- Elimination of DCC exempt area in the Downtown core
- Move towards a model reflects balance of growth anticipated by policy documents
- Continue to recognize development in the Downtown core will have a lower capital cost burden on roads and, as such, lower DCC rates

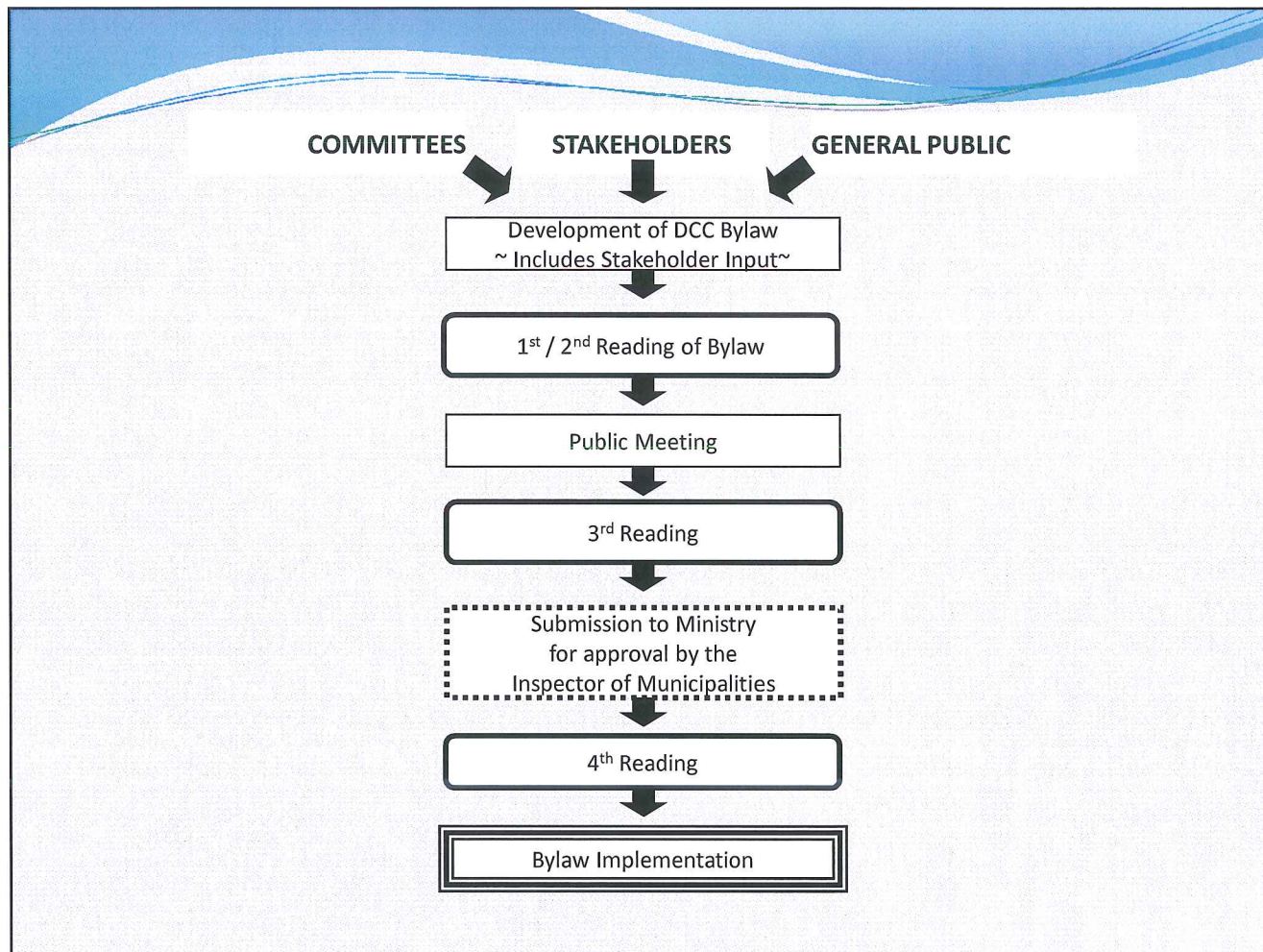
Substantive Changes to DCC Framework



Assist Factor

" provide funds to assist the local government "

- As such, minimum of 1% assist factor is required
- Under existing bylaw, 1% for all infrastructure types, with the exception of water supply ,which is 25%
- Assist factor could be increased, but would result in further pressure on taxation and/or user rates



Questions?

